

REVISED

MEETING AGENDA

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

Thursday, October 17, 2024

**Fairfax County Government Center - Conference Rooms 9/10 4/5
12000 Government Center Parkway - Fairfax, Virginia 22035**

6:30 p.m. - Presentation of the Fairfax County Redevelopment and Housing Authority 2024 Student Scholarship Recipients

7:00 p.m. - CALL TO ORDER

CITIZEN TIME

APPROVAL OF MINUTES September 12, 2024
October 10, 2024 Special Meeting

ACTION ITEMS

1. Resolution Number 30-24 Authorization to Execute the Proposed Interim Agreement with Franconia Development Partners, LLC (Developer) for the Development of the Franconia Governmental Center Property (Franconia District)

2. Resolution Number 31-24 Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$19,350,000 to Finance the 74-Unit Northwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock District)

Resolution Number 32-24 Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$14,500,000 to Finance the 69-Unit Southwest Four Portion of the Proposed Residences at Government Center II Development; Authorization

and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock District)

ADMINISTRATIVE ITEMS

1. Resolution Number 26-24 Approval of Revisions to the Housing Choice Voucher Program Administrative Plan, Chapter 7

2. Resolution Number 33-24 Authorization of Conveyance of Real Property at 3997 Fair Ridge Drive to the Board of Supervisors of Fairfax County, Virginia (Sully District)

- Resolution Number 34-24 Appointment of Bree Fuller as Agent of the FCRHA for Purposes of Filing and Pursuing Applications for a Minor Variation Approval and a 2232 Hearing for 3997 Fair Ridge Drive (Sully District)

CLOSED SESSION

BOARD MATTERS

ADJOURNMENT

Fairfax County is committed to a policy of nondiscrimination in all County programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations call 703-246-5000 (select menu option 8), or TTY 711.

MINUTES OF THE MEETING OF THE FAIRFAX COUNTY
REDEVELOPMENT AND HOUSING AUTHORITY

September 12, 2024

On September 12, 2024, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in Conference Rooms 9/10 of the Fairfax County Government Center, 12000 Government Center Parkway, Fairfax, Virginia.

CALL TO ORDER

FCRHA Chairman Lenore Stanton called the Meeting of the FCRHA to order at 7:00 p.m. Attendance for all, or part of the meeting, was as follows:

PRESENT

Lenore Stanton, Chairman
Elisabeth Lardner, Vice Chair
Staci Alexander
Steven Bloom
Michael Cushing
Nicholas McCoy
Michael McRoberts
Joe Mondoro
Susan Vachal
Paul Zurawski

ABSENT

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Thomas Fleetwood, Director; Amy Ginger, Deputy Director, Operations; Anna Shapiro, Deputy Director, Real Estate Finance and Development; Mark Buenavista, Director, Design, Development, and Construction (DDC); Marwan Mahmoud, Project Coordinator, DDC; Yuhdie Brownson, Housing Community Developer, DDC; Mohammed Abdel-Kariem, Senior Project Manager, DDC; Linda Hoffman, Director, Policy and Communications (P&C); Brandy Thompson, Management Analyst, P&C; Allyson Pearce, Marketing and Outreach Manager, P&C; Navneet Sohi, Public Information Officer, P&C; Peggy Gregory, Director, Rental Assistance; Jason Chia, Information Technology Manager, Central Services; Callahan Seltzer, Director, Real Estate Finance (REF), Lucinda Metcalf, Senior Portfolio Manager, REF.

Also in attendance was FCRHA Counsel: Patricia McCay and Ryan Wolf, Senior Assistant County Attorneys; Brett Callahan, Lachina Dovodova, Richard Dzubin, Susan Timoner, and Alan Weiss, Assistant County Attorneys.

CITIZEN TIME

The FCRHA Chairman opened citizen time at 7:01 p.m.

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Joy Wahler, a citizen from the Franconia District, signed up to speak regarding the FCRHA's need for remote access and residency requirements. Ms. Wahler indicated that there should be better access to FCRHA meetings for the citizens of Fairfax County. In addition, Ms. Wahler stated at a minimum people should be permitted to call in and provide comments by telephone. She stated if telephone access was available, the FCRHA would receive more public comments. Ms. Wahler further stated that in 2024 after surviving a global pandemic greater access to FCRHA meetings can be achieved and requested that the FCRHA make that happen. Ms. Wahler expressed concern regarding the start time and location of FCRHA meetings. She stated that parents and older adults would have a difficult time attending 7:00 p.m. meetings. Additionally, with regional traffic, attending meetings at the Fairfax County Government Center is difficult for citizens who reside in the Franconia District.

Ms. Wahler also expressed concern regarding the lack of residency requirements for affordable housing in Fairfax County. She stated that Fairfax County has studies showing a need for more affordable housing. Fairfax County taxpayer dollars, and sometimes Fairfax County taxpayer-owned property, are being used to create new affordable housing units throughout the County. Yet, the tenants moving into the units are not required to be existing residents of Fairfax County. In 2021, Ms. Wahler recalled asking Tom Fleetwood, Director of HCD about residency requirements. Mr. Fleetwood informed her that there were not any residency requirements at that time, but there was an opportunity for them to be added. Ms. Wahler stated that moving forward she will be attending future FCRHA meetings and advocating for residency requirements until the affordable housing issue is solved for all current County residents.

The Chairman closed citizen time at 7:05 p.m.

PUBLIC HEARING

Proposed Interim Agreement with Franconia Development Partners, a Virginia Limited Liability Company, Whose Members Consist of SCG Development Partners, LLC, a Delaware Limited Liability Company, Good Shepherd Housing & Family Services, Incorporated, a Virginia Nonstock Corporation, and NFP Affordable Housing Corp., a Delaware Nonstock Corporation for the Redevelopment of the Franconia Governmental Center (Franconia District)

The FCRHA Chairman opened the public hearing at 7:15 p.m. 14 speakers provided testimony during the public hearing. The FCRHA Chairman closed the public hearing at 8:11 p.m.

APPROVAL OF MINUTES

July 18, 2024

Commissioner McCoy moved to approve the Minutes of the July 18, 2024 FCRHA

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Annual Meeting, which Commissioner Bloom seconded. The motion passed with Commissioners Lardner and Vachal abstaining.

ADMINISTRATIVE ITEM

1.

RESOLUTION NUMBER 26-24

Approval of Revisions to the Housing Choice Voucher Program Administrative Plan,
Chapter 7

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the revisions to its Housing Choice Voucher Program Administrative Plan, Chapter 7, as presented to the FCRHA on September 12, 2024.

After discussion, the FCRHA deferred approval of Resolution Number 26-24 to its October 17, 2024 meeting.

ADMINISTRATIVE ITEM

2.

RESOLUTION NUMBER 27-24

Approval of Revisions to the Housing Choice Voucher Program Administrative Plan,
Chapter 11

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the revisions to its Housing Choice Voucher Program Administrative Plan, Chapter 11, as presented to the FCRHA on September 12, 2024.

Commissioner Lardner moved to adopt Resolution Number 27-24, which Commissioner McCoy seconded. The motion passed unanimously.

ADMINISTRATIVE ITEM

3.

RESOLUTION NUMBER 28-24

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Commending Peggy Gregory for Her Years of Service to the Fairfax County
Redevelopment and Housing Authority

WHEREAS, Peggy Gregory has served Fairfax County and the Fairfax County Redevelopment and Housing Authority (FCRHA) as the Division Director of Rental Assistance since May 2019; and

WHEREAS, as the Division Director of the Rental Assistance Division she increased the size of the FCRHAs Housing Choice Voucher Program by nearly 350 units dedicated to serving homeless individuals and families, veterans and those with disabilities; and

WHEREAS, she negotiated with the Commonwealth of Virginia's Department of Behavioral Health and Developmental Services to triple the number State Rental Assistance Program units administered by the FCHRA to 175, and to launch a new permanent supportive housing program that will serve 300 families in Fairfax County; and

WHEREAS, she refined processes and procedures for the FCRHA's Project Based Voucher Program to support the Fairfax County Board of Supervisor's goal to produce 10,000 new units of affordable housing by 2034 and preserve existing affordable units such as those at Creekside Village and Culpepper Gardens; and

WHEREAS, she was instrumental to the continued and effective operations of the FCRHA's tenant based rental assistance programs during the COVID-19 pandemic, ensuring that over 5,000 families remained stably housed during a time of severe market instability and economic distress; and

WHEREAS, under her leadership, the governing document of the FCRHAs HCV program, the Administrative Plan, was updated to reflect operations during the COVID-19 pandemic and newly implemented federal laws and guidance, ensuring effective and compliant program operations; and

WHEREAS, on September 20, 2024, Peggy Gregory will complete her distinguished service with the County after 5 years of service;

NOW THEREFORE BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority expresses its gratitude to Peggy Gregory for her years of dedicated service to the community and to the FCRHA, and wishes her a healthy, happy and prosperous retirement.

Commissioner Zurawski moved to adopt Resolution Number 28-24, which Commissioner Bloom seconded. The motion passed unanimously.

FCRHA Meeting
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CLOSED SESSION

Commissioner Cushing moved that the FCRHA go into Closed Session pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with legal counsel and briefings by staff members regarding actual or probable litigation where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the FCRHA, specifically the following matter:

1. *Mariama Nadira Ali v. Fairfax County Redevelopment and Housing Authority*; HUD Case #03-23-3849-8; Title VI Case No. 03-23-3849-6 (Housing Discrimination Complaint filed with U.S. Department of Housing and Urban Development) (Franconia District);

And pursuant to Virginia Code Section 2.2-3711(A)(3) for the discussion of the disposition of real property for a public purpose and where if those discussions occurred in an open meeting the bargaining position of the FCRHA would be adversely affected, and specifically with regard to the following matter:

1. The Residences at Government Center II Development.

Commissioner Bloom seconded the motion. The FCRHA went into Closed Session at 8:35 p.m.

OPEN SESSION

Commissioner Cushing, in accordance with Virginia Code Section 2.2-3712, moved that the members of the FCRHA certify that to the best of their knowledge only public business matters lawfully exempted from the open meeting requirements prescribed by the Virginia Freedom of Information Act and only matters identified in the motion to convene Closed Session were heard, discussed or considered by the FCRHA. Commissioner Bloom seconded the motion.

The FCRHA took the following roll call vote:

AYE

Lenore Stanton, Chairman
Elisabeth Lardner, Vice Chair
Staci Alexander
Steven Bloom
Michael Cushing
Nicholas McCoy
Michael McRoberts
Joe Mondoro
Susan Vachal
Paul Zurawski

NAY

ABSTAIN

FCRHA Meeting
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The motion carried and the Open Meeting resumed at 8:45 p.m.

CLOSED SESSION ITEM

1.

RESOLUTION NUMBER 29-24

Authorization for Fairfax County Redevelopment and Housing Authority to Permit a
Subsidiary of Lincoln Avenue Capital to Permit Certain Work on the Residences at
Government Center II Property Before Closing (Braddock District)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority hereby authorizes LACM VA Site, LLC, a subsidiary of Lincoln Avenue Capital, to perform certain limited initial work on the Residences at Government Center II property, consistent with the terms described in the item presented in Closed Session on September 12, 2024, and

BE IT FURTHER RESOLVED that any Assistant Secretary is hereby authorized sign such documents and take such other steps as may be reasonably necessary to effectuate such work.

Commissioner Cushing moved to adopt Resolution Number 29-24, which Commissioner Bloom seconded. The motion passed with Commissioner Vachal abstaining.

BOARD MATTERS

See Attachment 1.

ADJOURNMENT

The FCRHA Chairman adjourned the meeting at 9:01 p.m.

Lenore Stanton, Chairman

(Seal)

Thomas Fleetwood, Assistant Secretary

Board Matters

September 12, 2024

Welcome Commissioner Susan Vachal

Chairman Stanton introduced and welcomed Commissioner Vachal to the FCRHA. She stated, on behalf of her colleagues, that they look forward to working with Commissioner Vachal. Vice Chair Lardner also extended a welcome to Commissioner Vachal.

Tom Fleetwood, Director, Department of Housing and Community Development (HCD), on behalf of staff, welcomed Commissioner Vachal to the Authority, and thanked her for her willingness to serve.

Updates on the Consolidated Community Funding Advisory Committee (CCFAC)

Commissioner Cushing informed his colleagues that on September 10, 2024, CCFAC held its initial meeting of the planning cycle. A schedule for the meetings for those involved with the Working Advisory Group is expected to be released in the coming days. In response, Chairman Stanton thanked Commissioner Cushing for his service on CCFAC.

Discussion Regarding the FCRHA's September 12, 2024 Public Hearing

FCRHA Commissioners participated in a follow up discussion with Director Fleetwood and Ryan Wolf, Senior County Attorney, Office of the County Attorney pertaining to the public hearing held. During the discussion, Commissioner Zurawski requested that a residency preference be included and that the public hearing comments be reflected. In addition, Commissioner McCoy requested that staff provide the FCRHA with a fulsome overview of everything involved with the public hearing.

FCRHA Vice-Chair Thanks Her Colleagues

Vice Chair Lardner thanked her colleagues for reelecting her as Vice Chair of the FCRHA.

PRO Housing Award

Director Fleetwood noted that the Metropolitan Washington Council of Governments was awarded funding by the U.S. Department of Housing and Urban Development under the PRO Housing Notice of Funding Availability. Fairfax County participated in the application as part as a regional consortium. The funding received will aid the FRCHA in advancing its fair housing goals. More information to follow.

Permanent Supportive Housing Program Update

Director Fleetwood stated that staff is in negotiations with the Virginia Department of Behavioral Health and Developmental Services regarding the Memorandum of Agreement to move forward with permanent supportive housing vouchers. Staff continue to make progress. Director Fleetwood indicated that updates would continue to be provided.

One University Update

Director Fleetwood announced that the One University property, in the Braddock District, has been completed and is actively leasing up. He noted that the property is spectacular and looks terrific. Director Fleetwood informed the Commissioners that many of the residents who formerly resided at Robinson Square have elected to return and are moving into the new property. Director Fleetwood expressed his excitement to be able to welcome those residents back home to One University.

ESA/Former Hotel Property

Director Fleetwood stated that the purchase of the Extended Stay America property in the Sully District, successfully closed. Staff are working with its County partners in terms of opening it as a family shelter. Director Fleetwood will keep the Commissioners updated on the next steps, the role of the FCRHA, if any, and how the transfer of the property to the Board of Supervisors will be handled.

Autumn Willow

Director Fleetwood stated that Autumn Willow, a new senior affordable housing project in the Springfield District, has begun accepting applications. The property is anticipated to open this fall with a grand opening ceremony to be held in the coming months.

Board of Supervisors Board Matter

Supervisor Storck and the Board of Supervisors passed a Board Matter on September 10, 2024, that spoke to the release of discriminatory language that remains in some Fairfax County covenants. Staff are currently working with legal counsel to determine how this impacts FCRHA properties. It is anticipated that staff will bring a request to action to the FCRHA in October.

Redevelopment and Housing Assistance Corporation (RHAC) Meeting

Immediately following the FCRHA meeting on September 12, 2024, there will be a meeting of the RHAC, a corporation of the FCRHA and an important vehicle of its work. Mr. Wolf, and Lucinda Metcalf, HCD will assist in facilitating the RHAC meeting.

HCD Staff Outreach

Director Fleetwood noted, in preparation for the October 17, 2024 FCRHA meeting, staff

will be working with the Chairman and discussing additional ways staff can provide outreach to the FCRHA Commissioners. There is the potential to reevaluate the reinstatement of FCRHA committees to assist with answering questions and advance discussion.

HCD Staff Announcements

Director Fleetwood congratulated Linda Hoffman on her promotion to the Director of Policy and Communications.

Director Fleetwood welcomed Callie Seltzer as the new Director of Real Estate Finance who joins us from HR & A Associates.

MINUTES OF THE SPECIAL MEETING OF THE FAIRFAX COUNTY
REDEVELOPMENT AND HOUSING AUTHORITY

October 10, 2024

On October 10, 2024, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in the HCD Center, First Floor of the Fairfax County Department of Housing and Community Development, 3700 Pender Drive, Fairfax, Virginia.

CALL TO ORDER

FCRHA Chairman Lenore Stanton called the Special Meeting of the FCRHA to order at 6:00 p.m. Attendance for all, or part of the meeting, was as follows:

PRESENT

Lenore Stanton, Chairman
Elisabeth Lardner, Vice Chair
Staci Alexander
Steven Bloom
Michael Cushing
Nicholas McCoy
Joe Mondoro
Susan Vachal
Paul Zurawski

ABSENT

Michael McRoberts

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Thomas Fleetwood, Director; Amy Ginger, Deputy Director, Operations; Anna Shapiro, Deputy Director, Real Estate Finance and Development; Mark Buenavista, Director, Capital Planning and Development; Linda Hoffman, Director, Policy and Communications (P&C); Jason Chia, Information Technology Manager, Central Services; Callahan Seltzer, Director, Real Estate Finance (REF), Debashish Chakravarty, Associate Director, REF; and Julie Chen, Senior Real Estate Finance Manager, REF.

Also in attendance was FCRHA Counsel: Cynthia Bailey, Deputy County Attorney; Ryan Wolf, Senior Assistant County Attorney; Brett Callahan and Alan Weiss, Assistant County Attorneys.

In attendance remotely was Jeffrey Ballard of Ballard Spahr, LLP, outside bond counsel.

DRAFT ADMINISTRATIVE ITEM FOR OCTOBER 17, 2024

1.

FCRHA Special Meeting
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Approval of Revisions to the Housing Choice Voucher Program Administrative Plan,
Chapter 7

HCD staff provided an overview of proposed changes to Chapter 7 of the Housing Choice Voucher (HCV) Administrative Plan. Staff explained that many of the proposed policy changes are mandated by the Housing Opportunity Through Modernization Act, which made numerous amendments to the HCV program including those to income calculations, assets, and income reviews. Discussions pertained to questions on the verification of income for student financial assistance for higher education.

DRAFT ADMINISTRATIVE ITEM FOR OCTOBER 17, 2024

2.

Authorization of Conveyance of Real Property at 3997 Fair Ridge Drive to the Board of
Supervisors of Fairfax County, Virginia (Sully District)

Appointment of Bree Fuller as Agent of the FCRHA for Purposes of Filing and Pursuing
Applications for a Minor Variation Approval and a 2232 Hearing for 3997 Fair Ridge
Drive (Sully District)

HCD staff provided a summary of the conveyance of property to the Board of Supervisors, noting the criticality of the timing of this action and that land use applications must be submitted prior to the transfer of the property. FCRHA Commissioners requested a summary of the property and its intended use.

DRAFT ACTION ITEM FOR OCTOBER 17, 2024

1.

Authorization to Execute the Proposed Interim Agreement with Franconia Development
Partners, LLC (Developer) for the Development of the Franconia Governmental Center
Property (Franconia District)

HCD staff provided an overview of the proposed interim agreement for the development of the Franconia Governmental Center property. Staff noted that if approved, the interim agreement would allow the FCRHA to begin negotiations with the developer. Staff explained that community engagement opportunities would be a part of any effort moving forward if the interim agreement is approved. FCRHA Commissioners discussed the importance of community engagement and education on the process of the potential development of the property. The FCRHA requested staff to develop a plain language

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October 10, 2024
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document which explains the development process and provides a consistent tool for communications.

DRAFT ACTION ITEM FOR OCTOBER 17, 2024

2.

Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$19,350,000 to Finance the 74-Unit Northwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various in Connection Therewith (Braddock District)

Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$14,500,000 to Finance the 69-Unit Southwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock District)

HCD staff gave a presentation on the proposed Residences at Government Center II development (RGC II), highlighting the proposed features and amenities as well as the financial structure of the project. Staff highlighted that the FCRHA is providing subordinate financing for both buildings of RGC II. Following the presentation, there was a discussion on universal design requirements as compared to those under the Americans with Disabilities Act. Staff noted that all units in RGC II will meet universal design requirements. FCRHA Commissioners requested further opportunities to continue learning the complexities of real estate financing, as highlighted in the presentation.

CLOSED SESSION

Commissioner Cushing moved that the FCRHA go into Closed Session pursuant to Virginia Code Section 2.2-3711(A)(3) for the discussion of the disposition of real property for a public purpose and where if those discussions occurred in an open meeting the bargaining position of the FCRHA would be adversely affected, as well as pursuant to Virginia Code Section 2.2-3711(A)(8) for consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, in both cases specifically with regard to the following matter:

1. The Residences at Government Center II Development, located in the Braddock District.

Commissioner Mondoro seconded the motion. The FCRHA went into Closed Session at

FCRHA Special Meeting
October 10, 2024
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7:06 p.m.

OPEN SESSION

Commissioner Cushing, in accordance with Virginia Code Section 2.2-3712, moved that the members of the FCRHA certify that to the best of their knowledge only public business matters lawfully exempted from the open meeting requirements prescribed by the Virginia Freedom of Information Act and only matters identified in the motion to convene Closed Session were heard, discussed or considered by the FCRHA. Commissioner Vachal seconded the motion.

The FCRHA took the following roll call vote:

AYE

NAY

ABSTAIN

Lenore Stanton, Chairman
Elisabeth Lardner, Vice Chair
Staci Alexander
Steven Bloom
Michael Cushing
Nicholas McCoy
Joe Mondoro
Susan Vachal
Paul Zurawski

The motion carried and the Open Meeting resumed at 7:45 p.m.

BOARD MATTERS

See Attachment 1.

ADJOURNMENT

The FCRHA Chairman adjourned the meeting at 8:05 p.m.

Lenore Stanton, Chairman

(Seal)

Thomas Fleetwood, Assistant Secretary

Board Matters

October 10, 2024

Establishing an FCRHA Committee of the Whole

Chairman Stanton explained to her colleagues that tonight's conversation was intended to serve as a template going forward for "work sessions" of the FCRHA, in advance of the formal meetings to vote on FCRHA items. Chairman Stanton further explained the FCRHA will need to formalize the creation of an FCRHA Committee of the Whole to conduct such work sessions. She stated it is likely a set of meeting operational procedures will be presented for approval, potentially as an amendment to the bylaws, as part of the actions associated with establishing the Committee of the Whole. The procedures would include items such as public hearing procedures, adapted from what is already used by the Board of Supervisors, and would memorialize them for the FCRHA.

Chairman Stanton noted that, subject to FCRHA approval, starting in December the Committee of the Whole will hear non-routine issues requiring subsequent action at the "full" FCRHA meeting. The FCRHA would receive briefings on non-routine items such as financing plans for projects, land purchases, etc. Informational briefings for Commissioners could also be included as needed and appropriate.

Chairman Stanton stated that she anticipates that a substantial number of the Committee of Whole meetings would be virtual, subject to the limitations under Virginia Law, and would generally be held the Wednesday before the full FCRHA meeting. Chairman Stanton concluded stating that the "work session" prior to the November FCRHA meeting will be called as a "special meeting," in a manner similar to tonight's meeting, as the FCRHA would not yet have acted to establish the Committee of the Whole.

FCRHA Agenda Item
October 17, 2024

ACTION - 1

RESOLUTION NUMBER 30-24: Authorization to Execute the Proposed Interim Agreement with Franconia Development Partners, LLC (Developer) for the Development of the Franconia Governmental Center Property (Franconia District)

ISSUE:

Fairfax County Redevelopment and Housing Authority (FCRHA) authorization is requested to execute the proposed Interim Agreement (Interim Agreement) with The Franconia Development Partners, LLC (Developer) to develop affordable housing on the FCRHA-owned Franconia Governmental Center property under the provisions of Public Private Education Facilities and Infrastructure Act of 2002, as amended (PPEA).

RECOMMENDATION:

FCRHA approval of the Interim Agreement.

TIMING:

Immediate.

RELATION TO FCRHA STRATEGIC PLAN:

This project supports the FCRHA mission to preserve, expand, and facilitate affordable housing opportunities in Fairfax County.

BACKGROUND:

The FCRHA is the fee simple owner of a certain 3.26-acre combined parcel of land consisting of five adjacent properties, tax map numbers 0813 05 0003A, 0813 05 0002A, 0813 05 0002B, 0813 05 0002C1, and 0813 08 0503 (collectively the Property), commonly known as 6121 Franconia Road (Franconia District) and is currently the site of the Franconia Governmental Center.

On March 9, 2021, following a public hearing, the Board of Supervisors of Fairfax County, Virginia (Board) authorized conveyance of the Property to the FCRHA. On May 21, 2024, following a public hearing, the Board validated its authorization to convey the Property to the FCRHA. On April 25, 2022, the Board transferred the Property to the FCRHA to construct affordable housing, subject to the rights of the Board to continue all of its existing uses (Public Uses) until such time as the Board vacates the Property as set forth in more detail in the Memorandum of Understanding between the Board and the FCRHA dated October 24, 2021 (MOU) and attached to the Interim Agreement as Exhibit B. It is anticipated that the Board will vacate the Property in 2025, but the schedule is subject to change based on the construction completion of the new Franconia Police Station and Governmental Center in Kingstowne.

FCRHA Agenda Item
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In March 2022, the Fairfax County Department of Procurement and Material Management (DPMM) issued a "Request for Proposal" (RFP) pursuant to the PPEA to construct up to 120 affordable housing units on the Property. The RFP included the following evaluation criteria: affordability, design/development, community outreach, finance plan/transaction structure, accessibility and services, public benefit, offeror qualifications, and use of FCRHA Bonds. An evaluation team, including staff from the Department of Housing and Community Development (HCD), evaluated the nine submitted proposals. After a preliminary evaluation of all submitted proposals, the evaluation team shortlisted five highest scoring offerors for final evaluation. The evaluation team prepared one round of written clarification questions and conducted oral interviews with the shortlisted offerors. Upon completion of the selection process, the evaluation team selected Franconia Development Partners, LLC (Developer) as the successful offeror to begin negotiations as to the form of an Interim Agreement under the PPEA.

Selected Developer: Franconia Development Partners, LLC comprises of SCG Development Partners, LLC (SCG), a Delaware limited liability company, Good Shepherd Housing and Family Services, Inc. (GSH), a Virginia corporation, and NFP Affordable Housing Corp. (NFP), a Delaware corporation (collectively the Developer Parties). The Developer Parties are committed to developing high-quality affordable housing to support healthy, diverse communities. SCG is a trusted leader in affordable housing development, both in Fairfax County and nationwide. With a portfolio spanning over 100 projects across 12 states, SCG has delivered more than 5,000 affordable units. The NFP founder and Executive Director has successfully acquired and rehabilitated over 500 units of affordable housing in Fairfax County. GSH has helped the homeless and enable self-sufficiency by providing affordable housing and emergency financial services to low-income and working families and individuals in Fairfax County for more than forty years.

Interim Agreement: The Interim Agreement, if approved by the FCRHA at its meeting on October 17, 2024, will grant a limited revocable agency to the Developer to submit, as agent of the FCRHA, applications for land use and site plan approvals, at the Developer's sole cost. See form of Interim Agreement attached hereto as Attachment 2. The Interim Agreement, if approved, will also obligate the Developer to engage in community outreach, as described more below. The Interim Agreement does not constitute the final terms of any eventual development but does give the parties the legal authority to begin the process which may lead to a detailed Comprehensive Agreement.

Summary of The Development Proposal: The proposed development is anticipated to provide for construction of approximately up to 120 independent housing units targeting low- and moderate-income persons, up to 80% of the Area Median Income (AMI), subject to available funding requirements. The proposed units will be located on the Property and development will be subject to a long-term ground lease and available financing. The selected proposal can be viewed at the County website:
<https://www.fairfaxcounty.gov/procurement/ppea/franconia-governmental-center->

FCRHA Agenda Item
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redevelopment.

Land Use Approvals and Timing: Given the complexity of the land use and rezoning process and the need to meet the Virginia Housing Low-Income Housing Tax Credit (LIHTC) application filing deadline of March 2026, it is necessary to approve the Interim Agreement to allow the Developer the exclusive right to pursue the land use approvals ahead of the LIHTC application filing.

Community Outreach: The Developer provided a comprehensive community outreach strategy consisting of early engagement with neighboring communities and local community organizations. The Developer's team will also coordinate early meetings with the Franconia District Supervisor and the Chairman of the Planning Commission to solicit their feedback in advance of filing any zoning applications. In addition, the Developer's team will maintain close communication and have regular meetings with HCD.

PPEA Timing: The Interim Agreement must be approved through a statutorily prescribed process. Specifically, the FCRHA must conduct a public hearing on the proposed Interim Agreement - which occurred at the FCRHA's September 12, 2024 meeting - and then can approve the Interim Agreement only at a subsequent meeting that is at least 30 days after the public hearing.

If the FCRHA approves with Interim agreement, Staff will begin negotiating the Comprehensive Agreement, which will define the proposed project and will be informed by the land use, community outreach, and funding requirements. The Interim Agreement does not obligate the FCRHA to move forward with the development if a Comprehensive Agreement cannot be negotiated. Any potential Comprehensive Agreement also will require a public hearing at least 30 days prior to any public meeting where the FCRHA may vote on entering into a Comprehensive Agreement.

STAFF IMPACT:

Leading up to the approval of the Interim Agreement, staff has spent considerable amount of time working with the Developer and the Office of the County Attorney on the form of Interim Agreement and community engagement efforts in coordination with the District Supervisor.

FISCAL IMPACT:

Apart from the cost of staff time, there is no fiscal impact to enter into the Interim Agreement with the Developer for the redevelopment of the Franconia Governmental Center.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution Number 30-24

FCRHA Agenda Item
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Attachment 2: Interim Agreement

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Anna Shapiro, Deputy Director, Real Estate Finance and Development, HCD

Mark Buenavista, Director, Capital Planning and Development Division (CPD), HCD

Mohammed Abdel Kariem, Project Manager, CPD

ASSIGNED COUNSEL:

Brett Callahan, Assistant County Attorney

Alan Weiss, Assistant County Attorney

RESOLUTION NUMBER 30-24

Authorization to Execute the Proposed Interim Agreement with Franconia Development Partners, LLC (Developer) for the Development of the Franconia Governmental Center Property (Franconia District)

BE IT RESOLVED, THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the execution of the proposed Interim Agreement between the FCRHA and Franconia Development Partners, LLC to facilitate the development of the Franconia Governmental Center affordable housing project, as outlined in the Action Item presented to the FCRHA at its meeting on October 17, 2024, and

BE IT FURTHER RESOLVED THAT the FCRHA authorizes any Assistant Secretary, on behalf of the FCRHA, to take any other action as may be reasonably necessary or appropriate to comply therewith or in furtherance of the purposes thereof.

**INTERIM AGREEMENT
(Franconia Government Center Redevelopment)**

THIS INTERIM AGREEMENT (this “**Agreement**”) is made and entered into as of the _____ day of _____, 2024 (the “**Effective Date**”), by and between (i) the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the “**FCRHA**”), and (ii) **FRANCONIA DEVELOPMENT PARTNERS, LLC.**, a Virginia limited liability company (the “**Developer**,” and together with the FCRHA, are all collectively, the “**Parties**”).

RECITALS

R-1. The FCRHA is the fee simple owner of a certain 3.26-acre of land consisting of five adjacent properties, tax map IDs 0813 05 0003A, 0813 05 0002A, 0813 05 0002B, 0813 05 0002C1, and 0813 08 0503 and being further described on Exhibit A attached hereto and made a part hereof (the “**Property**”) which Property is located at 6121 Franconia Road in the Franconia Magisterial District and is currently the site of the Franconia Government Center. On March 9, 2021, following a public hearing, the Board of Supervisors of Fairfax County, Virginia (“**Board**”) authorized conveyance of the Property to the FCRHA. On May 21, 2024, following a public hearing, the Board validated its authorization to convey the Property to the FCRHA. The Property was transferred from the Board to the FCRHA on April 25, 2022 to construct affordable housing, but subject to the rights of the Board to continue all of its uses (“**Public Uses**”) on the Property until such time as the Board vacates the site as set forth in a Memorandum of Understanding between the Board and the FCRHA dated October 24, 2021 and attached hereto as Exhibit B (the “**MOU**”).

R-2. In March 2022, the Fairfax County Department of Purchasing and Supply Management (“**Purchasing Agent**”) issued a “Request for Proposals” (the “**RFP**”) pursuant to provisions of the Public Private Education Facilities and Infrastructure Act of 2002, as amended, Virginia Code Ann. §§ 56-575.1 to 575.16 and the guidelines adopted with respect thereto (collectively, the “**PPEA**”). The RFP to construct affordable housing on the Property included the following evaluation criteria: financial feasibility, affordability, design and development, community outreach, finance plan and transaction structure, accessibility, public benefit, offeror qualifications, and commitment to use FCRHA bond financing.

R-3. In April 2022, the Purchasing Agent received responses to the RFP proposing to construct affordable housing on the Property.

R-4. The Selection Advisory Committee under the RFP (the “**SAC**”) evaluated all of the proposals and determined it advisable to enter into negotiations with SCG Development Partners, LLC., a Delaware limited liability company, Good Shepherd Housing and Family Services, Inc., a Virginia corporation, and NFP Affordable Housing Corp., a Delaware corporation (the “**Developer Parties**”) as the highest ranked offeror.

R-5. The Developer Parties' proposed development is anticipated to provide for construction of approximately 120 independent housing units for low and moderate income persons in one building with both surface and structured parking, of which approximately 25 units will be set aside potentially for housing serving the goals of the Fairfax County Magnet Housing Program, subject to available funding requirements, and approximately 6,000 square feet of interior space designated for community uses (the "**Project**").

R-6. The Developer Parties have formed a joint venture operating agreement called Franconia Development Partners, LLC, as of September 25, 2023 and pursuant to which SCG Development Partners, LLC is the Managing Member of the Developer and has the authority to execute this Agreement binding the Developer hereunder. The FCRHA intends to commence negotiations with the Developer for the redevelopment of the Property.

R-7. In recognition of the complexity of the proposed Project at the Property and the need to commence certain design and zoning related work promptly in order to meet the March 2026 deadline established by the Virginia Housing and Development Authority for low-income housing tax credit application submission, the Parties wish to begin the process for zoning and land use approvals prior to execution of a final agreement for the proposed Project.

R-8. Notwithstanding that the parties do not have a final agreement regarding the Project and with full recognition that the Parties may be unsuccessful in concluding a final agreement regarding the Project, the FCRHA has agreed to allow the Developer the right, at the Developer's sole risk and expense, to access the Property and to pursue the Land Use Approvals (as defined herein) with respect to the Property and the Project in accordance with the terms hereof, including the terms of the MOU.

NOW, THEREFORE, in consideration of the Recitals, which are hereby incorporated into this Agreement by reference, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term of Agreement. This Agreement will commence on the Effective Date and, unless otherwise terminated in accordance with the terms of Section 5 below, will terminate upon the execution by the Parties hereto of a comprehensive agreement for the Development ("**Comprehensive Agreement**") in accordance with the terms of the PPEA, unless otherwise terminated by the FCRHA.

2. Community Outreach.

a. From and after the Effective Date, the Developer, working in close coordination with the FCRHA and the Franconia District Supervisor's office, will develop a comprehensive community outreach program to engage community stakeholders including, but not limited to, residents in surrounding neighborhoods, nearby Home-owners Associations (HOAs), and local civic organizations. The Community Outreach Program will identify the strategy for engaging community stakeholders, identify the specific actions to be undertaken by the Developer to implement such strategy, and include a schedule for undertaking such actions.

b. The Community Outreach Program will provide for community outreach sessions that are flexible in format, including a mix of both virtual and in-person meetings. To the extent reasonably required to ensure meaningful participation by residents within the community, translation and/or interpretation services shall be provided by the Developer as needed. The Developer will prepare presentations, lead outreach sessions in coordination with the FCRHA, and include relevant development team subject matter experts to participate as needed.

c. The Community Outreach Program will provide for community outreach and stakeholder engagement sessions to begin prior to filing a zoning application and to continue through the Land Use Approvals process, design, permitting, and construction.

d. The Developer acknowledges and agrees that the Developer will not file a rezoning application until after the Developer has completed initial community outreach efforts in coordination with the FCRHA, in accordance with the Community Outreach Program.

3. Designation of the Developer as Agent.

a. The FCRHA hereby designates the Developer as its agent for the limited purpose of pursuing the Land Use Approvals with respect to the Property and the Project, subject to the terms and conditions set forth in this Agreement including the applicable provisions of the MOU, and the Developer hereby accepts such designation and agrees to be bound by the terms of this Agreement including the terms of the MOU.

b. The FCRHA agrees that the Developer, as the FCRHA's agent, is authorized to commence land use planning, design, and other work activities necessary to pursue a Comprehensive Plan amendment and to file a rezoning application, as well as such other land use applications as the Parties mutually deem appropriate, with respect to the Property and the Project (the "**Land Use Approvals**").

c. The Developer hereby acknowledges and agrees that the agency created hereby is temporary and will immediately terminate upon any termination of this Agreement in accordance with the terms of Section 5 below. Upon such termination of the agency created hereby, the Developer will immediately cease all work with respect to the Land Use Approvals and, thereafter, the Developer will have no further duty, obligation, or right to pursue the Land Use Approvals on behalf of the County.

4. Agreement Regarding Land Use Approval Process.

a. The Developer will consult and coordinate with the FCRHA designated PPEA review and negotiation team (the "**PPEA Team**") regarding the design of the Project and regarding all submissions to be made in connection with the Land Use Approvals. Unless otherwise waived or modified in writing by the FCRHA, or its designee, the Developer will provide the PPEA Team a copy of all submissions to be made in connection with the Land Use Approvals for the PPEA Team's review and approval a minimum of ten (10) business days prior

to the Developer's anticipated filing with or submission of the same to the applicable governmental agencies. Approval of such submission will be in the PPEA Team's discretion; provided, however, that the PPEA Team's approval of any and all such submissions will not be unreasonably withheld on the basis of County comments that do not reasonably reflect refinement of the scope and substance of prior approved submissions. If the PPEA Team fails to notify the Developer in writing of either its approval or disapproval of any such submissions within ten (10) business days after its receipt of the request from the Developer, then the Developer may proceed with the submission; however, such submission will not be deemed to be approved by the PPEA Team. Any PPEA Team approval of submissions by the Developer will be in the PPEA Team's capacity as an advisory body to the FCRHA as land owner, and will not be construed to imply approval by the Fairfax County, nor will it be construed as requiring any future approvals by the FCRHA.

b. The FCRHA will reasonably cooperate with the Developer in the pursuit of the Land Use Approvals.

c. It is further acknowledged and understood that the Land Use Approvals will require the execution of proffered conditions and concurrence with development conditions by the Developer and FCRHA. The Developer and the FCRHA will consult and coordinate as to the substance of such proffered conditions and development conditions. The FCRHA's approval and execution of proffered conditions will be in the FCRHA's reasonable discretion; provided, that the Developer will be solely responsible for all compliance with such proffered conditions if it proceeds with the Project.

d. In performing its obligations hereunder, the Developer will at all times comply with, and cause its submissions in connection with the Land Use Approvals to comply with Fairfax County requirements in its governmental and regulatory capacity and the requirements of this Agreement.

e. The Developer will be responsible for all costs associated with the Land Use Approvals and the FCRHA will not be obligated to reimburse the Developer for any costs associated with the Land Use Approvals. Upon any termination of this Agreement pursuant to Section 5(c), the Developer will (i) assign all of its rights and interests (if any) in and to any obtained Land Use Approvals, and deliver originals or copies of any and all other publicly-available documents related to the same to the FCRHA, and (ii) assign to the FCRHA all of its rights and interests to, and provide and deliver to the FCRHA, any and all publicly-submitted work product produced by the Developer and its contractors and consultants associated with the Land Use Approvals and the Project, together with any third-party consents necessary therefor (collectively, the foregoing will be referred to as the "**Work Product**").

f. During the term of this Agreement, the Developer and its agents may access the Property as permitted and in accordance with the MOU upon reasonable prior notice to the FCRHA and the Fairfax County Facilities Management Department ("FMD") for purposes of conducting engineering studies, including surveying, soil core samples, traffic counts, and otherwise as may be reasonably necessary to perform its obligations hereunder. The Developer, at its own expense, will restore to its original condition, as nearly as possible, any land that is

disturbed by the Developer through any work carried out under this Agreement. The Developer will promptly clean up mud, dirt, and debris on the Property resulting from the Developer's activities. If a spill or dumping of materials occurs, the Developer will immediately clean up the materials. It is understood however that any drilling of test borings will generate spoils which may be reused to backfill the drill holes. Any equipment used, installed, or stored at the Property by or on behalf of the Developer will be at the Developer's sole risk. Any equipment left on the Property overnight must be properly secured from vandalism. The Developer will be responsible for compliance with all applicable laws, regulations, and any environmental impact assessment requirements. The FCRHA and FMD will have the right to have agents of the FCRHA and FMD accompany the Developer on the Property. The Developer's access to conduct the foregoing investigations will be between the hours of 8:00 a.m. and 5:00 p.m. on weekdays, excluding County holidays. The Developer will notify and coordinate access with:

Mohammed Abdel-Kariem
Fairfax County Department of Housing and Community Development
(703) 324-5249
Mohammedalkhatim.Abel-Kariem@fairfaxcounty.gov.

and

Michael P. Lambert
Fairfax County Facilities Management Department
(703) 324-2825
Michael.lambert@fairfaxcounty.gov

5. Termination.

a. The FCRHA may terminate the agency granted to the Developer, at any time and for any reason. The FCRHA will give written notice to the Developer if the FCRHA elects to terminate this Agreement whereon this Agreement will immediately terminate except for the Developer's obligations with regard to the indemnification set forth in Section 7.

b. If the Parties are unable to reach agreement upon the terms and conditions of the Comprehensive Agreement by 11:59 p.m. eastern time on December 31, 2025 (or such later date as may be mutually agreed upon, in writing, by the Parties), this Agreement will automatically terminate as of such date and the parties hereto will have no further rights or obligations hereunder except for the Developer's obligations with regard to the indemnification set forth in Section 7.

c. The Developer may also terminate this Agreement at an earlier date if it reasonably determines that the Project is infeasible. Thereafter, the Parties hereto will have no further rights or obligations hereunder, except for the Developer obligations with regard to the Work Product, as described in Section 4(e) and the indemnification set forth in Section 7.

6. Insurance. The Developer will maintain a commercial general liability insurance policy insuring the FCRHA, its agents, contractors, subcontractors, and invitees against any

liability arising out of the Developer's activities under this Agreement. The insurance will be maintained for personal injury and property damage liability adequate to protect the FCRHA and Fairfax County against liability for injury or death of any person in connection with the Land Use Approvals or the use, operation and condition of the property, in an amount not less than one million dollars (\$1,000,000) per occurrence but with such other provisions as may be required by FMD. Prior to entering the Property, the Developer will provide the FCRHA and FMD a Certificate of Insurance evidencing this insurance and showing the FCRHA and Fairfax County as additional insureds.

7. Indemnification. The Developer will indemnify and save harmless the FCRHA, its officers, employees and invitees and the Board, its officers and employees from and against any claims, loss, cost, damages, or liability of any kind caused by the Developer, its agents, contractors, subcontractors, or invitees, in connection with the work performed under this Agreement, or failure to perform such work, including without limitation the obligations set forth in Section 4(f). This provision will survive the termination of this Agreement.

8. MOU Requirements. The Developer understands and agrees that the FCRHA is limited to its rights to the Property as set forth in the MOU, including without limitation that the Board, including FMD, will have the unfettered right to continue operations of the Public Uses without interference from the FCRHA or any persons or entities acting as agents or invitees of the FCRHA, including the Developer. The Property will not be available for the FCRHA to grant any leasehold interest to Property that will allow access to the Property until FMD has confirmed that it no longer needs the Property for the Public Uses and that it has vacated the Property, all in accordance with the MOU. Notwithstanding anything in the MOU to the contrary, FCRHA and FMD, as applicable, and not the Developer, shall be responsible for all costs associated with the relocation of the Public Uses as contemplated by the MOU.

9. Miscellaneous.

a. The FCRHA and the Developer will continue to negotiate certain other documents necessary to complete the Comprehensive Agreement and to effectuate the Project.

b. An "Assignment" means (i) any assignment, in whole or in part, by Developer of its right or interest in this Agreement, or (ii) any direct or indirect change in control of Developer, in both cases whether voluntary, by operation of law, or otherwise. An Assignment will be void without the prior written consent of the FCRHA, which it may grant in its sole and absolute discretion. In all events, any assignment must provide assurances to the FCRHA that the assignor or assignors, as the case may be, will have adequate financial resources to pursue the Project and to satisfy all indemnities and guaranties as may be required by the FCRHA.

c. This Agreement and any dispute, controversy, or proceeding arising out of or relating to this Agreement (whether in contract, tort, common or statutory law, equity or otherwise) will be governed by Virginia law, without regard to conflict of law principles of Virginia or of any other jurisdiction that would result in the application of laws of any jurisdiction other than those of Virginia.

d. Should any provision of this Agreement require judicial interpretation, the Parties hereby agree and stipulate that the court interpreting or considering same will not apply the presumption that the terms hereof will be more strictly construed against a Party by reason of any rule or conclusion of law that a document should be construed more strictly against the Party who itself or through its agents prepared the same, it being agreed that all Parties hereto have participated in the preparation of this Agreement and that each Party had full opportunity to consult legal counsel of its choice before its execution of this Agreement.

e. This Agreement may be executed in two or more counterparts, each of which will constitute one and the same instrument. This Agreement may be executed as facsimile or .pdf originals, and each copy of this Agreement bearing the facsimile or .pdf transmitted signature of any party's authorized representative shall be deemed to be an original.

f. No person or other entity will be a third-party beneficiary of this Agreement, except Fairfax County and its officers and employees.

g. The execution and delivery of this Agreement by SCG Development Partners, LLC on behalf of itself and Good Shepherd Housing and Family Services, Inc. and NFP Affordable Housing Corp., have been duly and validly approved by all necessary corporate or other applicable action of the Developer, and no other proceedings on the part of the Developer are necessary to approve this Agreement.

h. "Notices hereunder will be in writing and, served as follows: (a) by personal delivery (with receipt acknowledged), (b) delivered by reputable, national overnight delivery service (with its confirmatory receipt therefor), next business day delivery specified, or (c) sent by registered or certified United States mail, postage prepaid, return receipt requested, in each case to the Parties as follows:

If to Developer or SCG Development Partners LLC, to:

c/o SCG Development
8245 Boone Boulevard, Suite 640
Vienna, Virginia, 22182
Attention: Stephen Wilson

With a copy to:
Klein Hornig LLP
1275 K Street NW, Suite 1200
Washington, DC 20005
Attention: Erik T. Hoffman

If to the FCRHA, to:

Fairfax County Redevelopment and Housing Authority
3700 Pender Drive
Fairfax, Virginia 22030
Attention: Director, HCD

With copy to:
Office of the County Attorney
12000 Government Center Parkway, Suite 549
Fairfax, Virginia 22035-0064
Attention: County Attorney

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

[SIGNATURES ON FOLLOWING PAGES]

FCRHA:

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING
AUTHORITY, a political subdivision of the Commonwealth
of Virginia

By: _____
Thomas E. Fleetwood, Assistant Secretary

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

DEVELOPER:

FRANCONIA DEVELOPMENT PARTNERS, LLC,
a Virginia limited liability company

By: SCG Development Partners, LLC,
a Delaware limited liability company,
its managing member

By: SCG Development Manager, LLC,
a Delaware limited liability company,
its managing member

By: SCG Capital Corp.,
a Delaware corporation
its sole member

By:
Name: Stephen P. Wilson
Title: President – Virginia Office

EXHIBIT A – PROPERTY DESCRIPTION

Two parcels of real property situated in Fairfax County and being described as follows:

Tax Map #081-3-05-0002A:

All of that certain parcel of land known as Lot Two-A, Section Two, Franconia Hills, being a part of Lot Two, Section Two, Franconia Hills, as the same appears on a plat attached to a Deed of Dedication recorded in Deed Book B-10 at Page 464, of the land records of Fairfax County, Virginia, and more particularly described as follows:

Beginning at a point in the southerly line of Franconia Road, Route No. 644, 50' wide, said point being the northeasterly corner of Lot 3 of the aforesaid Section Two, Franconia Hills, thence running with the southerly line of Franconia Road N. 82° 15' 10" E. 100.00' to a point; thence S. 06° 59' 40" E. passing thru an iron pipe at 15.00', said pipe marking the northwesterly corner of Lot Two-B, of a resubdivision of part of Lot 2, Section 2, Franconia Hills as the same is shown on a plat attached to a Deed of Resubdivision recorded in Deed Book 2997 at Page 513 of the aforesaid land records, and continuing along the westerly lines of Lot Two-B and Lot Two-C of said resubdivision of a part of Lot Two, a total distance of 462. 78' to an iron pipe, said pipe marking the southwest corner of said Lot Two-C and lying in the northerly line of Lot 503 of the Division of a portion of Original Lot 15 and Original Lot 19, Section Two, Franconia Hills; thence running with said northerly line of Lot 503, N. 83° 47' 30" W. 102.71' to an iron pipe, said pipe marking a corner common to Lot 503, Lot 14 and Lot 3 of Section Two, Franconia Hills; thence running with the easterly line of Lot 3, N. 06° 59' 40" W. 438.00' to the point of beginning and containing 1.03390 acres of land, more or less. Said land is further shown on a plat attached to Deed made by Elmer P. Thompson, C.L.S. and captioned "Plat Showing Lot 2A of the Resubdivision of Lot 2, Section Two, Franconia Hills recorded in Deed Book 4045 at Page 505, of the aforesaid land records.

LESS AND EXCEPT the portion of Lots 2A and 2B conveyed to the Commonwealth of Virginia in Deed Book 4310 at Page 511, of the aforesaid land records.

Tax Map #081-3-05-0002B:

All of that certain parcel of land known as Lot Two-B (2-B), a part of the resubdivision of part of Lot 2, Section 2, Franconia Hills, as the same appears on a plat attached to a Deed of Dedication recorded in Deed Book B-10 at Page 464, of the land records of Fairfax County, Virginia, and more particularly described as follows:

BEGINNING at an iron pipe set in the southerly line of Franconia Road (Route No. 644), 40 feet from centerline and said point being in the westerly line of Lot 1, Section 2, FRANCONIA HILLS; thence departing from said road and running along a portion of said Lot 1, & Outlot 1B, S. 06° 59' 40" E. 267.12 feet to an iron pipe; thence along the northerly line of Lot 2C, Section 2, FRANCONIA HILLS, N. 83° 47' 30" W. 102.72 feet to an iron pipe found in the easterly line of Lot 2A, Section 2, FRANCONIA HILLS; thence along said line N. 06° 59' 40" W. 242.35 feet to an iron pipe set in the southerly line of Franconia Road; thence along said line N. 82° 15' 10" E. 100.00 feet to the point of beginning and containing 25,473 square feet of land, more or less.

LESS AND EXCEPT the portion of Lots 2A and 2B conveyed to the Commonwealth of Virginia in Deed Book 4310 at Page 511, of the aforesaid land records.

Tax Map #081-3-05-0002CI:

BEGINNING at a point in the southerly line of Franconia Road, Route 644, 50 feet wide, said point being the front corner common to Lots I and 2 of Section 2, FRANCONIA HILLS, as recorded among the Land Records of Fairfax County, Virginia, thence departing from said southerly line of Franconia Road and running along a portion of the easterly boundary of Lot 2, Section 2, FRANCONIA HILLS, S. 6° 59' 40" E. 282.12 feet to a point; thence running S. 6° 12' 30" W. 200 feet to a point; thence departing from said easterly line and running with the northerly line of Lot 503N. 83° 47' 30" W. 55.80 feet to a point; thence through Lot 2 N. 6° 59' 40" W. 462.78 to a point in the aforesaid southerly line of Franconia Road, thence running along said southerly line of Franconia Road N. 82° 15' 10" E. 100.01 feet to the point of beginning and containing 0.9831 acres of land, more or less.

LESS AND EXCEPT all of that certain parcel of land known as Lot Two-B (2-B), a part of the resubdivision of part of Lot 2, Section 2, Franconia Hills, by Deed of Resubdivision recorded in Deed Book 2997 at Page 513, of the aforesaid land records, and more particularly described as follows:

BEGINNING at an iron pipe set in the southerly line of Franconia Road, (Route No. 644), 40 feet from centerline and said point being in the westerly line of Lot 1, Section 2, FRANCONIA HILLS; thence departing from said road and running along a portion of said Lot 1, and Outlot IB, S. 6° 59' 40" E. 267.12 feet to an iron pipe; thence along the northerly line of Lot 2C, Section 2, FRANCONIA HILLS, N. 83° 47' 30" W. 102.72 feet to an iron pipe found in the easterly line of Lot 2A, Section 2, FRANCONIA HILLS; thence along said line N. 6° 59' 40" W. 242.35 feet to an iron pipe set in the southerly line of Franconia Road; thence along said line N. 82° 15' 10" E. 100.00 feet to the point of beginning and containing 25,473 square feet of land, more or less.

Tax Map #081-3-05-0003A:

Lots Two (2) and Three (3), Section Two (2), FRANCONIA HILLS, as the same appears duly dedicated, platted and recorded in Deed Book B-10 at Page 464, among the land records of Fairfax County, Virginia. Less and Except those parcels conveyed at Deed Book U-11 at Page 329, in Deed Book H-12, at Page 37, in Deed Book 1336 at Page 368 and in Deed Book 4045 at Page 505, containing approximately 0.933988 acres of ground, more or less. Also Less and Except the portion thereof conveyed to the Commonwealth of Virginia containing 3,560 square feet, more or less, taken for widening of Franconia Road, recorded in Deed Book 4181 at Page 407.

Tax Map #081-3-08-0503:

BEGINNING at a point, said point being the northeast corner of Lot 15-A of Section Two, Franconia Hills, and in the line of Lot 14, thence departing from said corner and running with Lot 14 N. 47° 49' 30" E., 104.99 feet to a point, said point being the most easterly corner of Lot 14, the southeast corner of Lot 3-A, and the southwest corner of Lot 2-A; thence departing from said corner and running with Lot 2-A and Lot 2-C N. 86° 04' 10" E., 158.51 feet to a point, said point being the southeast corner of Lot 2-C, the southwest corner of Lot 21 and the northwest corner of Lot 20-A; thence departing from said corner and running with Lot 20-A S. 3° 55' 50" E., 77.49 feet to a point, said point being the southwest corner of Lot 20-A and the northwest corner of Nelson Lane (16 foot wide); thence departing from said corner and running with Nelson Lane S. 22° 38' 50" W., 16.05 feet to a point, said point being the southwest corner of

Nelson Lane and a corner of Lot 502; thence departing from said corner and running with Lot 502 S. 65° 30' 50" W., 93.78 feet to a point, said point being a corner of Lot 502 and on a cul-de-sac street; thence departing from said corner and running with a curve to the left having a radius of 50.00 feet, arc of 126.16 feet and a chord of 95.26 feet bearing S. 83° 13' 51" W. to a point, said point being in the easterly line of Lot 15-A; thence departing from said point and running with Lot 15-AN. 42° 10' 30" W., 82.12 feet to the point of beginning, containing 22,048 square feet or 0.50615 acres of land, more or less. The property hereon described is as shown as Lot 503 on plat "showing a division of a portion of original Lot 15 and a portion of original Lot 19, Section Two, Franconia Hills" attached to Deed of Dedication recorded in Deed Book 694 at Page 459, among the land records of Fairfax County, Virginia. AND BEING that property acquired by Deed recorded in Deed Book 3497 at Page 59, by Deed recorded in Deed Book 4045 at Page 505, by Deed recorded in Deed Book 6143 at Page 110, by Deed recorded in Deed Book 7756 at Page 1646, and by Deed recorded in Deed Book 7756 at Page 1649.

EXHIBIT B – MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING
(Franconia Governmental Center Transfer to Fairfax County Redevelopment and
Housing Authority)
by and among
Fairfax County Department of Housing and Community Development
and
Fairfax County Facilities Management Department

10/24/2021 | 07:11:33 PDT

This Memorandum of Understanding (“MOU”) is made as of October __, 2021 (“Effective Date”), by and among (i) the Fairfax County Department of Housing and Community Development (“HCD”), as staff for the Fairfax County Redevelopment and Housing Authority (“FCRHA”), and (ii) the Fairfax County Facilities Management Department (“FMD”), as staff for the Board of Supervisors of Fairfax County, Virginia (“Board”) (collectively, HCD, the FCRHA, FMD, and the Board are referred to as the “Parties”).

RECITALS

R-1 The Board is the owner of five parcels of land located at 6121 Franconia Road and identified as Tax Map Nos. 0813 05 0002A, 0002B, 0002C1, and 0003A, and Tax Map No. 0813 08 0503 consisting of approximately 3.25 acres, with an approximately 25,800 square foot building (the “Property”). The Property is currently used as the Lee District Supervisor’s Office, the Franconia Police Station, and the Franconia Museum. The Board also leases a part of the building for a library and active adult center.

R-2 FMD has determined that the building on the Property is obsolete, has an interior layout that is not suited for police operations, and has insufficient available parking for the existing public uses at the facility (collectively, the current uses are referred to herein as the “Franconia Public Uses”). Accordingly, the Board intends to relocate the existing facilities that are housed at the Property to a new governmental complex in Kingstowne, including the library and active adult center, as well as a new childcare facility and community meetings rooms (“Kingstowne Governmental Center”).

R-3 The FCHRA is interested in acquiring the Property to expand its affordable housing portfolio by developing the Property as affordable housing, likely in collaboration with a private developer pursuant to the Public-Private Education Facilities and Infrastructure Act of 2002, as amended. The new multi-unit structure would be restricted to individuals with low to moderate income (“Franconia Affordable Housing Development”).

R-4 The Board supports the Franconia Affordable Housing Development and on March 9, 2021, following a public hearing, the Board agreed to transfer the Property to the FCRHA, but subject to the requirement that the FCRHA only allow the Property to be used for affordable housing, and also subject to the terms of this MOU that will enable the Board to continue the its current Franconia Public Uses at the Property after the conveyance

to the FCRHA for so long as the Board determines necessary to fully relocate all such uses to the Kingstowne Government Center.

NOW, THEREFORE, in consideration of the mutual desire of the Parties to support additional affordable rental housing in Fairfax County, while maintaining the uninterrupted continuity of the Franconia Public Uses for the benefit of the residents of Fairfax County, Virginia, the Parties agree as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated into this MOU and will have the same effect as if they had been set forth in their entirety in this Paragraph 1
2. Term of MOU. This MOU will commence as of the Effective Date and will continue in effect until such time as the Franconia Public Uses on Property are relocated to the Kingstowne Government Center, as evidenced by a written notice from FMD to HCD.
3. Maintenance by FMD. FMD will be responsible for maintenance of the Property and operation of the Franconia Public Uses until such time as all the existing Franconia Public Uses have been relocated to the Kingstowne Government Center, or otherwise transferred off Property to another location. FMD will give written notice to HCD confirming that the Board has relocated the Franconia Public Uses and has vacated the Property. Following notice to HCD that FMD no longer has a need for the Property for the Franconia Public Uses, FMD and the Board will no longer have any financial responsibilities regarding the Property, and all expenses of the Property and its development will be solely the responsibility of HCD and the FCRHA.
4. HCD and FCRHA Limitation on Rights to the Property Prior to Relocation of Franconia Public Uses. Until FMD relocates the Franconia Public Uses, FMD will have the unfettered right to continue operations of the Franconia Public Uses without any interference from HCD, the FCRHA, or any persons or entities acting as agents or invitees of HCD or the FCRHA. HCD will have the right to pursue land use entitlements for affordable housing on the Property, provided that any such entitlements that could in any manner interfere with the current Franconia Public Uses will not become effective until the Board has completed the relocation of the Franconia Public Uses. HCD and its agents and invitees will only be permitted on the Property with the prior approval of FMD, and then only in a manner that will in no way interfere with the Franconia Public Uses.
5. Notices. Any notice which the Parties desire or may be required to give under this MOU will be in writing delivered to the following addresses. Notices will be deemed effective when received.

If to FMD or the Board:

Fairfax County Facilities Management Department
12000 Government Center Parkway, Suite 424
Fairfax, Virginia 22035
Attention: Michael Lambert

If to HCD or the FCRHA:

Fairfax County Department of Housing and Community
Development
3700 Pender Drive, Suite 300
Fairfax, Virginia 22030
Attention: Thomas E. Fleetwood, Director

6. Appropriations. Any and all of FMD’s or the Board’s financial obligations under this MOU are subject to appropriations by the Board to satisfy payment of such obligations.

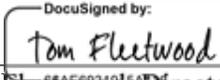
7. Counterparts. This MOU may be executed in two or more counterparts, each of which will constitute one and the same instrument. This MOU may be executed as facsimile or .pdf originals, and each copy of this MOU bearing the facsimile or .pdf transmitted signature of any party’s authorized representative will be deemed to be an original.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed by their duly authorized representatives as of the Effective Date.

[SIGNATURES ON FOLLOWING PAGES]

HCD:

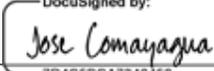
FAIRFAX COUNTY DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT, as staff to the Fairfax County Redevelopment and Housing Authority

By:  _____
Thomas E. Fleetwood, Director

[Signatures continue on following page]

FMD:

FAIRFAX COUNTY FACILITIES MANAGEMENT DEPARTMENT

By:  _____
Jose A. Comayagua, Director

FCRHA Agenda Item
October 17, 2024

ACTION – 2

RESOLUTION NUMBER 31-24: Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$19,350,000 to Finance the 74-Unit Northwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock District)

RESOLUTION NUMBER 32-24: Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$14,500,000 to Finance the 69-Unit Southwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock District)

ISSUE:

The FCRHA is requested to adopt final resolutions authorizing the issuance of tax-exempt multifamily housing revenue bonds or notes as listed below to provide a portion of the financing for the Northwest Four and Southwest Four portions (each a “Project” and together the “Projects”) of the Residences at Government Center II Development (the “Development”):

1. The issuance of tax-exempt Multifamily Housing Revenue Bonds or Notes in an amount not to exceed \$19,350,000, to finance 74 units of affordable multifamily housing, known as the Northwest Four portion of the Development (the “NW Four Bonds”).
2. The issuance of tax-exempt Multifamily Housing Revenue Bonds or Notes in an amount not to exceed \$14,500,000, to finance 69 units of affordable multifamily housing, known as the Southwest Four portion of the Development (the “SW Four Bonds”, and together with NW Four Bonds above, the “Bonds”).

RECOMMENDATION:

It is recommended that the FCRHA approve the final bond resolutions, authorize the issuance of the Bonds, and approve the bond documents in order to effectuate the imminent closing on the project.

TIMING:

Immediate. In order to meet the anticipated October 31, 2024 closing date for the Bonds and the Project, the FCRHA needs to authorize certain actions regarding the issuance of the Bonds at its October 17, 2024 meeting.

FCRHA Agenda Item
October 17, 2024

RELATION TO FCRHA STRATEGIC PLAN:

These actions support the FCRHA's overarching Strategic Plan goal to preserve, expand, and facilitate affordable housing opportunities in Fairfax County. More specifically, the Projects will add 143 new units of affordable housing and the overall Development (inclusive of the Projects) as described below will add 279 new units of affordable housing.

BACKGROUND:

Previous Actions:

The Fairfax County Board of Supervisors (the "BOS") previously conveyed the existing Parking Lots G and H at the Fairfax County Government Center (the "Project Site") to the FCRHA for redevelopment as affordable housing. The FCRHA entered into an Interim Agreement with LACM VA, LLC ("LACM"), a subsidiary of the developer, Lincoln Avenue Capital ("LAC"), on June 7, 2022, through the Virginia Public-Private Educational Facilities Infrastructure Act (PPEA) for the Development. The FCRHA then entered into a Comprehensive Agreement with LACM on January 19, 2023, giving LACM and other LAC subsidiaries site control over the Project Site.

Project and Development Description:

The overall Development includes 279 units of affordable housing serving residents from 30 percent to 70 percent of Area Median Income (AMI). The Development will also contain an approximately 15,000 square foot community space that will be used to provide a daycare facility and other resident and community-based services.

The Development will consist primarily of two five-story buildings and associated community and garage space. The north building and its portion of the underground garage will be financed in part using both a nine percent and a four percent Low Income Housing Tax Credits (LIHTC) component (Northeast Nine and Northwest Four). Similarly, the south building and its portion of the underground garage will be financed in part using both a nine percent and a four percent LIHTC component (Southeast Nine and Southwest Four). Each component will be conveyed to a distinct subsidiary of LAC under four separate long-term ground leases where the FCRHA is the landlord and maintains ownership of the underlying fee interest in the property. At least 40% of the units at each of the Projects will be reserved for residents at 60% AMI or less.

A more detailed summary of the Development is attached to this item as Attachment 3.

FINANCING PLAN SUMMARY:

LAC proposes to use a variety of financing sources to construct the Development, including FCRHA subordinate loans. The financing plan for the Development is further described in Attachment 4.

FCRHA Agenda Item
 October 17, 2024

THE BONDS TO BE ISSUED:

At the request of LAC, the FCRHA submitted the applications for private activity bond volume cap for the Projects to the Virginia Department of Housing and Community Development (VADHCD), and has been fully awarded allocations of volume cap of not to exceed \$19,350,000 and \$14,500,000 for Northwest Four and Southwest Four, respectively (which constitutes at least 50 percent of eligible basis plus land). The final bond principal amount for each Project will be determined before closing and upon completion of final underwriting. The Projects will be financed by separate issuances of Bonds by the FCRHA. The proceeds of the Bonds issued with respect to the Northwest Four Project will be loaned to the Northwest Four borrower to finance such Project. The proceeds of the Bonds issued with respect to the Southwest Four Project will be loaned to the Southwest Four Borrower to finance such Project.

The bond financing structure for each of the Projects is expected to involve the issuance of tax-exempt, publicly offered and rated Bonds consisting of one long-term series (the “Series A Bonds”) and one short-term series (the “Series B Bonds”). The Series B Bonds for each Project are expected to be redeemed in full as a condition to the conversion of such Project from the construction phase to the permanent phase (“Conversion”). During construction each issue of Bonds will be 100% cash-collateralized with no risk to the FCRHA. After construction and during the permanent phase of each Project, each issue of Bonds will be secured by a separate Freddie Mac credit enhancement agreement and a first-lien mortgage. During construction, each of the Projects will also be financed through a separate construction loan provided by Capital One. The fundamental role of the FCRHA would be as a “conduit” provider of tax-exempt financing for the Projects, with the Bonds being special obligations of the FCRHA secured only by the Project revenues and other security pledged therefor. The Bonds will be nonrecourse to the FCRHA.

TIMELINE:

The timeline for the bond closing for each of the Projects is as follows:

Financing Activity	Milestone Date
Tax Equity and Fiscal Responsibility Act (“TEFRA”) Advertisement	March 6, 2024
Issuances of Declaration of Intent/Inducement Resolutions	March 7, 2024
TEFRA Public Hearing and FCRHA Approval of Bond Issuance	March 14, 2024
Board of Supervisors Approval of Bond Issuance	April 16, 2024
Bond volume cap awarded and allocated by VADHCD	July 18, 2024 Aug 26, 2024
FCRHA Final Bond Resolution	October 17, 2024
Anticipated Financial Closing	October 31, 2024

FCRHA Agenda Item
October 17, 2024

RISKS AND CONCERNS:

1. **Interest Rates:** The interest rates for the Bonds, the Capital One construction loan will be market rates established at the time of the bond sale and loan closing, and therefore final interest rates may be higher than current rates. In addition, prior to Conversion of each Project, the Series B Bonds for each such Project may be subject to remarketing at a rate or rates to be determined by the Stifel, Nicolaus and Company, Incorporated, as Remarketing Agent for the Bonds, which remarketed rate or rates may be higher than current rates. In such events, LAC will have to identify cost savings in the development budget and/or find additional sources to fund the additional gap.
2. **Tax Credit Equity Price:** Currently, the tax credits have been priced at \$0.91/credit dollar for the Projects. Should equity prices fall below current levels, LAC will have to identify additional funds or cost savings in the development budget.
3. **Freddie Mac Commitment:** If the Freddie Mac permanent phase credit enhancement commitments for the Bonds are not received by an appropriate date on or before the October 17, 2024 meeting date, the closing timing for the Projects will need to be re-evaluated.
4. **Bond Volume Cap Allocation:** The earlier allocation of bond volume cap from Virginia Department of Housing and Community Development for the Southwest Four portion gave a deadline of mid November by which to close on the financing. If that deadline is not met, the volume cap will be recaptured by VADHCD and LAC would need to reapply for volume cap next year, pushing out the closing even further.
5. **Ground Lease Terms:** As closing on the Project approaches, HCD staff have received extensive comments on the form of ground lease from LAC's lenders (Capital One and Freddie Mac) and LIHTC investor (also Capital One). While it is typical to receive lender and investor comments to the ground lease form, many of the changes being requested on this Project, particularly by Freddie Mac, go beyond not only our preferred terms, but in several instances beyond what the FCRHA has allowed on any prior deal, to our knowledge. HCD staff and OCA briefed the FCRHA in closed session on October 10, 2024, regarding these matters so that the FCRHA is aware that approval of the resolutions sought by this item will include these changes to the ground lease.

STAFF IMPACT:

Staff of Department of Housing and Community Development (HCD) will continue to work with LAC, the Office of the County Attorney, external financing partners and FCRHA bond counsel to close the Projects in the anticipated October timeframe of 2024. HCD staff will then monitor the progress of construction, approve loan disbursements, and monitor the loans until their respective maturity or until they are paid off in full.

FCRHA Agenda Item
 October 17, 2024

FISCAL IMPACT:

All fees go into Fund 81000, FCRHA General Operating. The following fee structures shall apply to the Projects:

Northwest Four			
One-time Fee		Recurring Fee (Annual)	
Bond Application Fee (Received)	\$5,000		
Bond Issuance Fee (at Closing)	\$137,400		
Series B Short Term Upfront Monitoring Fee (at Closing)	\$195,000 (assumes 3-year construction period at \$65,000 per annum)	Series A Long-Term Bond Monitoring Fee (commencing at construction closing)	0.25% of outstanding balance of NW Four Bonds
Southwest Four			
One-time Fee		Recurring Fee (Annual)	
Bond Application Fee (Received)	\$5,000		
Bond Issuance Fee (at Closing)	\$118,000		
Series B Short Term Upfront Monitoring Fee (at Closing)	\$195,000 (assumes 3-year construction period at \$65,000 per annum)	Series A Long-Term Bond Monitoring Fee (commencing at construction closing)	0.25% of outstanding balance of SW Four Bonds

ENCLOSED DOCUMENTS:

- Attachment 1 – Northwest Four Final Bond Resolution
- Attachment 2 – Southwest Four Final Bond Resolution
- Attachment 3 – Project Summary
- Attachment 4 – Financing Plan
- Attachment 5 – Location Map

STAFF:

- Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)
- Anna Shapiro, Deputy Director, Real Estate Finance and Development, HCD
- Callahan Seltzer, Director, Real Estate Finance (REF), HCD
- Debashish Chakravarty, Associate Director, Real Estate Finance (REF), HCD

FCRHA Agenda Item
October 17, 2024

Julie Chen, Senior Real Estate Finance Manager, REF, HCD

ASSIGNED COUNSEL:

Ryan A. Wolf, Senior Assistant County Attorney

RESOLUTION NUMBER 31-24

Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$19,350,000 to Finance the 74-Unit Northwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the “Authority”) is a political subdivision of the Commonwealth of Virginia, established pursuant to the Housing Authority Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”), and is authorized thereby to issue its notes and bonds from time to time to fulfill its public purposes within the meaning of the Act; and

WHEREAS, at the request of Lincoln Avenue Capital (“LAC”) and pursuant to and in accordance with the Act, the Authority desires to issue and sell its multifamily housing revenue bonds or notes in one or more series or subseries in the aggregate principal amount not to exceed \$19,350,000 (the “Bonds”) on a tax-exempt basis, to provide financing for the project to be known as Residences at Government Center 2 – NW4 (the “Project”), located at 12040 Government Center Parkway, Fairfax, Virginia, in the Braddock District; and

WHEREAS, subject to the final terms of sale, the Bonds are expected to consist of one long-term series designated the Authority’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4), Series 2024A (the “Series A Bonds”) and one short-term series designated the Authority’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4), Series 2024B (the “Series B Bonds”), which Series B Bonds are expected to be redeemed in full as a condition to the conversion of the Project from the construction phase to the permanent phase (the “Conversion”); and

WHEREAS, the proceeds of the Bonds will be loaned to a special purpose entity formed by LAC, RGC2 Northwest 4 Owner LLC (the “Borrower”), to finance, together with other sources, the acquisition of a leasehold interest in and construction and equipping of the Project, which is expected to consist of 74 affordable multi-family rental housing units and related community and garage space; and

WHEREAS, Thomas E. Fleetwood, as Assistant Secretary on behalf of the Authority, executed a Declaration of Intent on March 7, 2024, evidencing its intent to issue and sell the Bonds in an aggregate principal amount not to exceed \$19,350,000; and

WHEREAS, the Authority on March 14, 2024, authorized the submission of the proposed Bond financing of the Project to the Fairfax County Board of Supervisors for approval; and

WHEREAS, pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), the Authority is required to hold a public hearing (“TEFRA Hearing”) in connection with issuance of the Bonds on a tax-exempt basis; and

WHEREAS, the Authority held a TEFRA Hearing on March 14, 2024; and

WHEREAS, for purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the proposed financing and issuance of the Bonds was approved by the Fairfax County Board of Supervisors at its meeting held on April 16, 2024; and

WHEREAS, the Project was awarded bond volume capacity not to exceed \$19,350,000 from the Virginia Department of Housing and Community Development; and

WHEREAS, in connection with the initial public sale of the Bonds, the Authority desires to enter into a Bond Purchase Agreement (the “Bond Purchase Agreement”) with Stifel, Nicolaus and Company, Incorporated (the “Underwriter”) and the Borrower; and

WHEREAS, prior to Conversion, the Bonds will be secured 100% by cash collateral, and following Conversion, the Bonds will be secured by a credit facility to be provided by the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and a mortgage with respect to the Project; and

WHEREAS, there have been prepared proposed forms of:

(i) the Trust Indenture (the “Indenture”) by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to which the Bonds will be issued;

(ii) the Financing Agreement (the “Financing Agreement”) by and among the Authority, the Trustee and the Borrower;

(iii) the Land Use Restriction Agreement (the “Land Use Restriction Agreement”) by and among the Authority, the Trustee and the Borrower;

(iv) the Bond Purchase Agreement;

(v) the preliminary Official Statement (the “Official Statement”) to be used by the Underwriter in connection with the preliminary offering of the Bonds; and

(vi) the Intercreditor Agreement (the “Intercreditor Agreement”) by and among the Authority, the Trustee and Freddie Mac to be entered into at the time of Conversion;

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY:

Section 1. **Incorporation of Recitals.** The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

Section 2. **Issuance of the Bonds.** The Commissioners of the Authority (the “Commissioners”) hereby authorize the issuance of the Bonds by the Authority, for the

purpose of providing a loan of the proceeds of the Bonds to the Borrower to be used, together with other sources, to: (a) finance or reimburse the cost of the acquisition of a leasehold interest in and construction and equipping of the Project, (b) fund capitalized interest and other related reserves, if any, and (c) pay costs of issuance of the Bonds. The combined aggregate principal amount of the Series A Bonds and the Series B Bonds shall not exceed \$19,350,000. The Bonds shall be issued in authorized denominations as set forth in the Indenture, numbered as the Trustee shall determine, and shall be fully registered without coupons.

The Bonds shall be dated as set forth in the Indenture and approved by the Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority. The Bonds shall mature not more than 22 years from their date of issuance and be sold at a price not less than 100 percent of the principal amount thereof. The Bonds shall bear interest at a fixed rate or rates to be established at the time of pricing and sale of the Bonds not to exceed 7.00% per annum; provided the initial fixed rate established for the Series B Bonds shall be subject to reset to a different interest rate in connection with any remarketing of the Series B Bonds prior to Conversion on the terms set forth in the Indenture.

The Bonds shall be executed on behalf of the Authority by, and bear the manual or facsimile signature of, the Chair or the Vice Chair of the Authority, duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Authority or any other person authorized to do same ("Authorized Representative"), and the seal of the Authority shall be thereunto affixed (or imprinted or engraved if in facsimile).

The Bonds shall be in the form set forth in the Indenture.

Section 3. **Sale of Bonds.** The Authority hereby authorizes the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement.

Section 4. **Limited Obligation.** The Bonds and the interest thereon shall be limited obligations of the Authority, secured by and payable solely from the trust estate pledged under the Indenture.

NEITHER THE COMMISSIONERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY THEREON BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE COUNTY OF FAIRFAX, VIRGINIA, THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) AND NEITHER THE COUNTY OF FAIRFAX, VIRGINIA NOR THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS PLEDGED THERETO UNDER THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Section 5. **Indenture.** The Indenture is hereby approved in the form made available at this meeting. The Chair or the Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Indenture in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Indenture being conclusive evidence of such approval and of the approval of the Authority; and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to attest the signature of the Chair or the Vice Chair to the Indenture and affix the seal of the Authority to the Indenture.

Section 6. **Trustee.** The Bank of New York Mellon Trust Company, N.A. is hereby appointed to act as Trustee for the Bonds under the Indenture. The Indenture may provide that the Trustee thereunder, or another corporate entity, shall act as bond registrar, paying agent and authenticating agent.

Section 7. **Delivery of Bonds.** After execution on behalf of the Authority, the Bonds shall be delivered to the Trustee, which will authenticate and deliver the Bonds to the Underwriter for the benefit of the registered owners thereof.

Section 8. **Bond Counsel.** Ballard Spahr LLP is hereby appointed Bond Counsel in connection with the issuance and sale of the Bonds.

Section 9. **Underwriter.** Stifel, Nicolaus and Company, Incorporated is hereby appointed Underwriter in connection with the issuance and sale of the Bonds.

Section 10. **Remarketing Agent.** Stifel, Nicolaus and Company, Incorporated is hereby appointed as initial Remarketing Agent in connection with any remarketing of the Series B Bonds in accordance with the Indenture.

Section 11. **Bond Purchase Agreement.** The Bond Purchase Agreement is hereby approved in the form made available at this meeting. The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair, the Vice Chair, the Secretary, or an Assistant Secretary, the execution of the Bond Purchase Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 12. **Land Use Restriction Agreement.** The Land Use Restriction Agreement is hereby approved in the form made available at this meeting. The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Land Use Restriction Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority, the execution of the Land Use Restriction Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 13. **Tax Agreement.** The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver on

behalf of the Authority (i) the No Arbitrage Certificate and Tax Agreement (the "Tax Agreement") prepared by Bond Counsel, the execution of such Tax Agreement being conclusive evidence of the approval of the Authority and (ii) an Internal Revenue Service Form 8038 relating to the Bonds prepared by Bond Counsel.

Section 14. **Financing Agreement.** The Financing Agreement is hereby approved in the form made available at this meeting. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Financing Agreement and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to attest the signature of the Chair or the Vice Chair to the Financing Agreement and to affix the seal of the Authority to the Financing Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Financing Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 15. **Intercreditor Agreement.** The Intercreditor Agreement is hereby approved in the form made available at this meeting. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Intercreditor Agreement and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to attest the signature of the Chair or the Vice Chair to the Intercreditor Agreement and to affix the seal of the Authority to the Intercreditor Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Intercreditor Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 16. **Official Statement.** Use by the Underwriter of the Official Statement in substantially the preliminary form made available at this meeting in connection with the preliminary offering of the Bonds by the Underwriter is hereby authorized and approved, with such additions, deletions and modifications to the preliminary Official Statement as may be approved by counsel for the Authority. The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the final Official Statement, the execution of which being conclusive evidence of the approval by the Authority for the use by the Underwriter of the final Official Statement in connection with the offering and sale of the Bonds by the Underwriter.

Section 17. **Registration under "Blue Sky" Laws.** The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority or, in their absence, any Authorized Representative is hereby authorized in the name and on behalf of the Authority to take any and all action, if any, which the Underwriter shall reasonably request and which the Chair, Vice Chair, Secretary or an Assistant Secretary may deem necessary, or advisable, with the advice of counsel for the Authority, in order to effect the registration or qualification (or exemption therefrom) of the Bonds for issue, offer, sale or trade under the "Blue Sky" or securities laws of any of the states of the United States of America and in connection therewith, to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process and other papers and instruments which may be required under such laws, and to take any and all further action

which such officer may deem necessary or advisable in order to maintain any such registration or qualification for as long as the Chair, Vice Chair, Secretary or an Assistant Secretary deems necessary or as required by law or by the Underwriter; provided, however, the Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority shall not consent to service of process in any jurisdiction in which the Authority is not now subject to service of process.

Section 18. **Other Action.** The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority or any Authorized Representative is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and with respect to the securing, issuance, sale and conversion of the Bonds (including but not limited to the replacement of transaction participants appointed hereby upon their resignation or if circumstances warrant).

Section 19. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Indenture, the Financing Agreement, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Tax Agreement, the Bonds or in any other agreement, certificate or document executed on behalf of the Authority shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Authority in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 20. **Action Approved and Confirmed.** All acts and doings of the Commissioners, officers, agents or employees of the Authority which are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

Section 21. **Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 22. **Repealer; Effective Date.** Any prior resolutions or parts thereof in conflict with this Resolution are to the extent of such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

ADOPTED AND APPROVED this 17th day of October, 2024.

TRUST INDENTURE

Between

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY,
As Issuer

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
As Trustee

Relating to

[\$13,220,000]
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(RESIDENCES AT GOVERNMENT CENTER 2 – NW4)
SERIES 2024A

and

[\$6,130,000]
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(RESIDENCES AT GOVERNMENT CENTER 2 – NW4)
SERIES 2024B

Dated as of October 1, 2024

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TRUST INDENTURE

THIS TRUST INDENTURE (this “Indenture”), is made and entered into as of October 1, 2024, by and between the **Fairfax County Redevelopment and Housing Authority** (the “Issuer”), a political subdivision of the Commonwealth of Virginia (the “State”), and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association, organized and operating under the laws of the United States of America and authorized to accept and execute trusts of the character herein set out, having a corporate trust office in Pittsburgh, Pennsylvania, as trustee (the “Trustee”). Capitalized terms are defined in Section 1.01 of this Indenture.

RECITALS

A. The Issuer has been created and organized pursuant to and in accordance with the provisions of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”) and is permitted under the Act to issue bonds to make loans for assistance in planning, development, acquisition, construction, equipping, repair, renovation and rehabilitation or maintenance of residential buildings and to make loans for assistance in housing acquisition, construction or rehabilitation by private sponsors.

B. Pursuant to, and in accordance with the Act and a resolution of the Issuer adopted on October 17, 2024 and this Indenture, the Issuer has determined to issue and sell its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project) Series 2024A (the “Series A Bonds”) in the original aggregate principal amount of \$[13,220,000] and its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project) Series 2024B (the “Series B Bonds”) and together with the Series A Bonds, the “Bonds”) in the original aggregate principal amount of \$[6,130,000] to provide for the financing of a seventy-four (74) unit multifamily rental housing development located at 12040 Government Center Parkway, Fairfax, Virginia, to be known as “Residences at Government Center 2 – NW4” (the “Project”).

C. Pursuant to a Financing Agreement dated as of the date hereof (the “Financing Agreement”) among the Issuer, RGC2 Northwest 4 Owner LLC, a limited liability company duly organized and existing under the laws of the State (the “Borrower”), and the Trustee, the Issuer has agreed to use the proceeds derived from the sale of Bonds to make a loan in the aggregate principal amount of \$[19,350,000] (the “Bond Loan”) to the Borrower in connection with the Project.

D. The Borrower has agreed to use the proceeds of the Bond Loan to finance the acquisition of a leasehold interest in and the construction and equipping of the Project.

E. The Borrower’s repayment obligations in respect of the Bond Loan will be evidenced by a multifamily note dated October [31], 2024 (together with all riders and addenda thereto, the “Bond Note”) delivered to the Issuer, which Bond Note will be endorsed by the Issuer to the Trustee.

F. Prior to conversion of the Bond Loan and the Project from the Construction Phase to the Permanent Phase (the “Conversion”), the Bonds will be secured primarily by proceeds of the Bonds and other cash collateral and investments thereof held by the Trustee as provided herein. In addition to Bond proceeds, the Borrower will cause Eligible Funds (as hereinafter defined),

including the proceeds of a construction loan (the “Construction Loan”) from Capital One, National Association, a national banking association (the “Construction Lender”), to be delivered to the Trustee for deposit into the Collateral Fund (as hereinafter defined) from time to time as security for (i) the Series A Bonds and (ii) the Series B Bonds.

G. Federal Home Loan Mortgage Corporation (“Freddie Mac” or the “Credit Facility Provider”), subject to the terms and conditions of its Forward Commitment and the satisfaction on or before the Forward Commitment Maturity Date of the Conditions to Conversion set forth in the Construction Phase Financing Agreement, has agreed that upon Conversion it will provide credit enhancement of the Bond Loan during the Permanent Phase (as hereinafter defined) pursuant and subject to a Credit Enhancement Agreement to be dated as of the Conversion Date, between the Credit Facility Provider and the Trustee (the “Credit Facility”).

H. As Conditions to Conversion, all of the Series B Bonds must be redeemed and the Series A Bonds Outstanding in excess of the Actual Bond Loan Amount (if any) must be redeemed on or prior to the Conversion Date.

I. Upon Conversion, the Trustee will release funds held by it in the Series A Collateral Account to be applied to the repayment of the Construction Loan.

J. The Issuer, the Trustee and the Credit Facility Provider have agreed, the provisions of this Indenture contemplate, and the Bondholders agree by the acceptance of the Series A Bonds under the terms of this Indenture, that if the Servicer issues the Conversion Notice on or before the Forward Commitment Maturity Date, the Credit Facility will be delivered on the Conversion Date and the amounts held in the Series A Collateral Fund will be released in accordance with the provisions of this Indenture.

K. To evidence the Borrower’s reimbursement obligations to the Credit Facility Provider for draws under the Credit Facility, the Borrower and the Credit Facility Provider will enter into a Reimbursement and Security Agreement (the “Reimbursement Agreement”) on or prior to the Conversion Date.

L. To secure the Borrower’s obligations under the Bond Note following the Conversion Date, the Borrower will execute and deliver to the Issuer on the Conversion Date a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Bond Mortgage”) with respect to the Project, which Bond Mortgage will be assigned to the Trustee on the Conversion Date.

M. To secure the Borrower’s reimbursement obligations under the Reimbursement Agreement, on the Conversion Date, the Borrower will execute and deliver to Freddie Mac a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Reimbursement Mortgage”) with respect to the Project.

N. On the Conversion Date, the Issuer, the Trustee and Freddie Mac will enter into an Intercreditor Agreement dated as of the Conversion Date (the “Intercreditor Agreement”) in connection with Freddie Mac’s delivery of the Credit Facility.

O. If the Servicer issues the Conversion Notice prior to the Forward Commitment Maturity Date, the Bond Loan will convert from the Construction Phase to the Permanent Phase.

P. If the Conversion Notice is not issued on or prior to the Forward Commitment Maturity Date (as extended), Conversion will not occur, the Credit Facility Provider will have no obligation to deliver the Credit Facility and the Bonds will be subject to mandatory redemption in accordance with the terms of this Indenture.

Q. The acquisition of a leasehold interest in and the construction, equipping and operation of the Project will be regulated by, among other documents, the terms of the Financing Agreement and the Regulatory Agreement.

R. The Issuer has determined that all things necessary to make the Bonds, when executed by the Issuer and authenticated by the Trustee and issued in accordance with this Indenture, the valid, binding and legal obligations of the Issuer and to constitute this Indenture a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, premium, if any, and interest on, the Bonds, have been duly taken, and the creation, execution and delivery of this Indenture and the execution and delivery of the Bonds, subject to the terms of this Indenture, have been duly authorized by the Issuer.

S. The Trustee has trust powers and the power and authority to enter into this Indenture, to accept trusts generally and to accept and execute the trust created by this Indenture; the Trustee has accepted the trust so created and, to evidence such acceptance, has joined in the execution of this Indenture.

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and following Conversion, the payment to Freddie Mac of the Freddie Mac Reimbursement Amount and the Freddie Mac Credit Enhancement Fee (as such terms are hereinafter defined) in accordance with the provisions hereof and of the Credit Enhancement Agreement and the Reimbursement Agreement, and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, pledge and assign a security interest, unto the Trustee, and its successors in trust and its and their assigns in and to the following (said property being herein referred to as the "Trust Estate"), to wit:

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer in and to all Revenues (other than the Unassigned Rights of the Issuer).

GRANTING CLAUSE SECOND

All right, title and interest of the Issuer in and to the Financing Agreement, the Bond Note and, following the Conversion Date, the Bond Mortgage and the Credit Facility, including all extensions and renewals of the terms thereof, if any (other than the Unassigned Rights of the

Issuer), including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards subject to the interest of the Credit Facility Provider under the Reimbursement Agreement and the Intercreditor Agreement), whether payable under the above-referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer or any other Person is or may become entitled to do under said documents.

GRANTING CLAUSE THIRD

Except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund, the Credit Facility Reimbursement Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds (other than the Unassigned Rights of the Issuer) by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the other Bonds, except as set forth in this Indenture, and for the benefit, security and protection of the Credit Facility Provider to the extent of its interests hereunder and under the Reimbursement Agreement and the Intercreditor Agreement;

PROVIDED, HOWEVER, that if the Issuer or its successors or assigns shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner provided in Article IX hereof and, following Conversion, shall discharge or cause to be discharged any and all obligations to the Credit Facility Provider hereunder and under the Reimbursement Agreement, and if the Issuer shall keep, perform and observe, or cause to be kept, performed and observed, all of its covenants, warranties and agreements contained herein, then these presents and the estate and rights hereby granted shall, at the option of the Issuer, cease, terminate and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, and, subject to the provisions of Sections 4.09, 4.11 and 4.12 hereof and Article IX hereof, reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except for the Rebate Fund and cash held by the Trustee for the payment of interest on and principal of the Bonds or for payment of amounts payable to the Credit Facility Provider; otherwise this Indenture to be and remain in full force and effect and upon the trusts and subject to the covenants and conditions hereinafter set forth.

AND IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto, that the terms and provisions upon which the Bonds are to be issued, executed, authenticated, delivered and secured, and the trusts and conditions upon which the Trust Estate is to be held and disposed of, which said trusts and conditions the Trustee hereby accepts and agrees to discharge, are as follows (except that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not be a general obligation of the Issuer nor a debt or pledge of the faith and credit of the Issuer or the State, but shall be payable solely from the revenues and funds pledged for its payment in accordance with this Indenture):

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. The terms used in this Indenture (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified below:

“Act” means the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended and supplemented from time to time.

“Actual Bond Loan Amount” means the amount of the Bond Loan that will be outstanding on the Conversion Date which shall be computed in accordance with the provisions set forth in the Construction Phase Financing Agreement.

“Administration Fund” means the Administration Fund established by the Trustee pursuant to Section 4.01 hereof.

“Administration Fund Deposit” means the deposit into the Administration Fund to be made by the Borrower with the Trustee on the Delivery Date, which deposit shall equal \$[] and shall be comprised of sources other than the proceeds of the Bonds.

“Authorized Denomination” means (i) with respect to the Series A Bonds, \$5,000 principal amount or any integral multiple thereof within a maturity and (ii) with respect to the Series B Bonds, \$5,000, or any integral multiple of \$1,000 in excess thereof.

“Authorized Officer” means (a) when used with respect to the Issuer, any authorized representative of the Issuer described in the Bond Resolution and such additional Person or Persons, if any, duly designated by the Issuer in writing to act on its behalf, (b) when used with respect to the Borrower, both of Russell Condas and Tyler Conger of the managing member of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Trustee, any Responsible Officer of the Trustee, or any Person who is authorized in writing to take the action in question on behalf of the Trustee, (d) when used with respect to the Servicer, any Person or Persons duly designated by the Servicer in writing to act on its behalf, and (e) when used with respect to the Credit Facility Provider, any Person who is authorized in writing to take the action in question on behalf of the Credit Facility Provider.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor federal statute.

“Bond” or “Bonds” means, individually or collectively as context may dictate, the Series A Bonds and the Series B Bonds.

“Bond Closing Memorandum” means the Bond Closing Memorandum prepared and delivered on or before the Delivery Date signed by the Borrower.

“Bond Counsel” means (a) Ballard Spahr LLP, or (b) any law firm selected by the Issuer and acceptable to the Credit Facility Provider, of nationally recognized standing in matters pertaining to the excludability from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

“Bond Financing Documents” means, collectively, this Indenture, the Bonds, the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Continuing Disclosure Agreement, the Construction Phase Financing Agreement, the Bond Purchase Agreement, the Remarketing Agreement and any Bond Loan Documents not otherwise included in the foregoing list of documents.

“Bond Fund” means the Bond Fund established by the Trustee pursuant to Section 4.01 hereof.

“Bond Loan” means the loan made by the Issuer to the Borrower from the proceeds of the Bonds in the principal amount of \$[19,350,000] pursuant to the Financing Agreement.

“Bond Loan Documents” means the Bond Note, the Financing Agreement, the Regulatory Agreement, and following Conversion, the Bond Mortgage, any Custodial Escrow Agreement, the Credit Facility, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement, the Pledge Agreement and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Bond Loan or any portion thereof, or evidencing, securing or otherwise relating to the Borrower’s obligations to the Credit Facility Provider in connection with the delivery of the Credit Facility.

“Bond Mortgage” means, with respect to the Series A Bonds, on and following the Conversion Date, the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date, together with all riders and addenda thereto, granting a first priority mortgage and security interest in the Project to the Issuer to secure the repayment of the Bond Loan outstanding on the Conversion Date which Bond Mortgage will be assigned by the Issuer to the Trustee, as the same may be amended, supplemented or restated.

“Bond Note” means the Multifamily Note equal to the principal amount of the Bonds dated the Delivery Date from the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Bond Loan, as the same may be amended, supplemented or restated from time to time, which Bond Note will be delivered to the Issuer and endorsed by the Issuer to the Trustee.

“Bond Proceeds Fund” means the Bond Proceeds Fund (and any subaccounts thereunder) established by the Trustee pursuant to Section 4.01 hereof.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated as of October [], 2024, among the Underwriter, the Issuer and the Borrower.

“Bond Register” means the books or other records maintained by the Bond Registrar setting forth the registered Holders from time to time of the Bonds.

“Bond Registrar” means the Trustee acting as such, and any other bond registrar appointed pursuant to this Indenture.

“Bond Resolution” means the resolution adopted by the Issuer on October 17, 2024 authorizing the issuance of the Bonds.

“Bond Year” means, with respect to an issue of Bonds, each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Bond Years may be short periods. If no day is selected by Borrower before the earlier of the final maturity of an issue of Bonds or the date that is five years after the Delivery Date of such issue of Bonds, each Bond Year ends on each anniversary of the Delivery Date for such issue of Bonds and on the final maturity of such issue of Bonds.

“Bondholder” or “Holder” or “Owner” means any Person who shall be the registered owner of any Outstanding Bond or Bonds.

“Borrower” means RGC2 Northwest 4 Owner LLC, a limited liability company duly organized and existing under the laws of the State, or any of its permitted successors or assigns, as owner of the Project.

“Business Day” means (1) any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York (or other agent acting as the Credit Facility Provider’s fiscal agent identified to the Trustee) is authorized or obligated by law or executive order to remain closed, (d) a day on which the Principal Office of the Credit Facility Provider is closed, or (2) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee or the Credit Facility Provider is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

“Cash Flow Projection” means cashflow projections prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, establishing, to the satisfaction of the Rating Agency, as applicable, that (a) the amounts on deposit with the Trustee in the applicable account of the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund, (b) projected Investment Income to accrue on amounts on deposit in the applicable Bond Proceeds Fund, the Collateral Fund and the Revenue Fund during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower are sufficient to pay, as applicable, (i) amounts due and payable on the Bonds on each payment date with respect thereto, (ii) the costs of any proposed remarketing of the Series B Bonds, as provided in Section 3.10 hereof, (iii) in the event that the

Trustee intends to sell or otherwise dispose of Qualified Investments prior to maturity at a price below par, as described in Section 4.08 hereof, (iv) the purchase, sale or exchange of Qualified Investments as provided in Section 4.08 hereof, or (v) the extension of the Conversion Date Deadline as set forth in Section 3.11 hereof. The cost and expense of obtaining such Cash Flow Projections shall be the sole responsibility of the Borrower.

“Certificate of the Issuer” and “Request of the Issuer” mean, respectively, a written certificate or request signed in the name of the Issuer by an Authorized Officer of the Issuer or such other Person as may be designated and authorized to sign for the Issuer. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Collateral Fund” means the Collateral Fund (and any accounts thereunder) created and so designation in Section 4.01 hereof.

“Conditions to Conversion” has the meaning given to that term in the Construction Phase Financing Agreement.

“Construction Lender” means Capital One, National Association, a national banking association, its successors and assigns, in such capacity.

“Construction Loan” means the loan made by the Construction Lender to the Borrower in the original principal amount of up to \$[28,597,987].

“Construction Loan Documents” means the documents executed and delivered in connection with the Construction Loan, including, without limitation, the promissory note and mortgage evidencing the Construction Loan.

“Construction Phase” has the meaning given to that term in the Construction Phase Financing Agreement.

“Construction Phase Financing Agreement” means the Construction Phase Financing Agreement dated as of the date hereof, by and among Freddie Mac, the Servicer and the Construction Lender and approved and acknowledged by the Borrower, as such agreement may be amended, modified, supplemented or restated from time to time.

“Continuing Disclosure Agreement” means an agreement to be entered into by the Borrower and the Dissemination Agent, as such Continuing Disclosure Agreement may from time to time be amended or supplemented.

“Conversion” means the conversion of the Bond Loan from the Construction Phase to the Permanent Phase.

“Conversion Date” means the date of the Conversion of the Bond Loan specified as such in the Conversion Notice, which date must be a Business Day at least fifteen (15) days following the date on which the Conversion Notice is issued by the Servicer or such other date as is approved by Freddie Mac; provided, however, the Conversion Date shall occur hereunder no earlier than [May 1, 2027].

“Conversion Date Deadline” means the Forward Commitment Maturity Date, as such date may be extended pursuant to Section 3.11 hereof.

“Conversion Notice” means a written notice by the Servicer to the Issuer, the Trustee, the Borrower, and the Credit Facility Provider given prior to the Forward Commitment Maturity Date and in accordance with the terms of the Forward Commitment (a) stating that each of the Conditions to Conversion has been satisfied prior to the Forward Commitment Maturity Date or, if any Condition to Conversion has not been satisfied prior to the Forward Commitment Maturity Date, has been waived in writing by the Credit Facility Provider, and (b) specifying the Conversion Date.

“Cost,” “Costs” or “Costs of the Project” means costs paid with respect to the Project that (i) are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Issuer to reimburse costs of the Project with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Bonds such costs were (A) costs of issuance of the Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Project that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project is being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), “Cost,” “Costs” or “Costs of the Project” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, construction or equipping of the Project or payments received by such Affiliate due to early completion of the Project (or any portion thereof).

“Cost of Issuance Fund” means the Cost of Issuance Fund (and any subaccounts thereunder) established by the Trustee pursuant to Section 4.01 hereof.

“Costs of Issuance” means (i) the fees (excluding ongoing fees), costs and expenses of (a) the Issuer, the Issuer’s counsel and the Issuer’s financial advisor, (b) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriter’s counsel, (c) Bond Counsel, (d) the Trustee and the Trustee’s counsel, (e) the Servicer and the Servicer’s counsel, (f) the Credit Facility Provider and the Credit Facility Provider’s counsel, (g) Borrower’s counsel attributable to the issuance of the Bonds and the Borrower’s financial advisor, if any, and (h) the Rating Agency, (ii) costs of printing the offering documents relating to the sale of the Bonds and (iii) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Trustee on the Delivery Date, which deposit shall equal \$[_____] and shall be comprised of sources other than the proceeds of the Bonds.

“Credit Enhancement Agreement” means the Credit Enhancement Agreement dated as of the Conversion Date between Freddie Mac and the Trustee, as such Credit Enhancement Agreement may from time to time be amended or supplemented.

“Credit Facility” means the Credit Enhancement Agreement.

“Credit Facility Account” means the Credit Facility Account of the Revenue Fund established by the Trustee pursuant to Section 4.01 hereof.

“Credit Facility Interest Reimbursement Account” means the Credit Facility Interest Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to Section 4.01 hereof.

“Credit Facility Principal Reimbursement Account” means the Credit Facility Principal Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to Section 4.01 hereof.

“Credit Facility Provider” means Freddie Mac in its capacity as the provider of the Credit Facility, or its successors or assigns.

“Credit Facility Reimbursement Fund” means the Credit Facility Reimbursement Fund (and any subaccounts thereunder) established by the Trustee, for the benefit of Freddie Mac, pursuant to Section 4.01 hereof.

“Custodial Escrow Account” means, collectively, the account or accounts established and held by the Servicer, in accordance with the Guide or otherwise, for the purpose of funding (a) escrows for taxes, insurance and related payments and costs, if required by the Credit Facility Provider, (b) a reserve for replacements for the Project, if required by the Credit Facility Provider, and (c) a debt service reserve for the Bond Loan, if required by the Credit Facility Provider.

“Custodial Escrow Agreement” means any agreement (which agreement may be the Guide or the Commitment as applicable) pursuant to which a Custodial Escrow Account is established and maintained.

“Custodian” means The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely in its capacity as collateral agent for the Credit Facility Provider under the Pledge Agreement, and any successor in such capacity.

“Delivery Date” means October [31], 2024, the date of initial delivery of the Bonds to the initial purchasers thereof against payment therefor.

“Dissemination Agent” means initially the Trustee, or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

“Dissemination Agent’s Fee” means the annual or semi-annual fees to the Dissemination Agent as compensation for the Dissemination Agent’s services under the Continuing Disclosure Agreement, which fee(s) shall not exceed \$[_____] during any twelve-month period which fee shall be paid directly by the Borrower and not from any funds held hereunder.

“DTC” means The Depository Trust Company, New York, New York, as initial Securities Depository for the Bonds pursuant to Section 2.12 hereof or its successors.

“Electronic Notice” means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 11.05 hereof; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 11.05 hereof.

“Eligible Funds” means, as of any date of determination, any of:

(a) with respect to the Series A Bonds, following the Conversion Date, proceeds received from draws on the Credit Facility;

(b) proceeds of the Bonds received contemporaneously with the issuance and sale of the Bonds or any other amount received by the Trustee from the Underwriter or the Remarketing Agent;

(c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Construction Loan;

(d) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 544, 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period;

(f) moneys drawn on a letter of credit; and

(g) Investment Income derived from the investment of moneys described in (a), through (f) above.

“Eligible Funds Provider” means the Construction Lender or such other party delivering Eligible Funds to the Trustee for deposit to the Collateral Fund as set forth in Section 4.17 hereof.

“Event of Default” or “event of default” means any of those events specified in and defined by the applicable provisions of Article VI hereof to constitute an event of default.

“Extension Deposit” means the deposit of Eligible Funds (a) with respect to the Series A Bonds, as described in Section 3.11 hereof and which shall be determined by a Cash Flow Projection, and (b) with respect to the Series B Bonds, the amount due, if any, to provide adequate additional funds for the payment of principal and interest due with respect to the Series B Bonds during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to Section 3.10 hereof, and which shall be determined by a Cash Flow Projection.

“Extraordinary Issuer Fees and Expenses” means the expenses and disbursements payable to the Issuer under this Indenture or the other Bond Financing Documents for Extraordinary Services, including extraordinary fees, costs and expenses incurred by Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to Section 4.2 of the Financing Agreement.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all reasonable expenses (including, but not limited to, attorney’s fees, costs and expenses) properly incurred by the Trustee, including in its capacity as Paying Agent and Bond Registrar, or the Issuer under this Indenture or the other Bond Financing Documents, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Servicing Fees and Expenses” means all fees and expenses of the Servicer under the Guide during any Bond Year in excess of Ordinary Servicing Fees and Expenses.

“Extraordinary Trustee’s Fees and Expenses” means the expenses and disbursements payable to the Trustee under this Indenture or the other Bond Financing Documents for Extraordinary Services, including extraordinary fees, costs and expenses incurred by counsel to the Trustee which are to be paid by the Borrower pursuant to Section 4.2 of the Financing Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the

term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Issuer and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

“Financing Agreement” means the Financing Agreement dated as of the date hereof among the Borrower, the Issuer and the Trustee, as such Financing Agreement may from time to time be amended or supplemented.

“Forward Commitment” means the forward commitment letter dated October [], 2024, between the Credit Facility Provider and the Servicer pursuant to which the Credit Facility Provider has agreed to provide credit enhancement of the Bond Loan effective as of the Conversion Date upon satisfaction of the terms and conditions set forth therein as it may be amended, modified or supplemented from time to time.

“Forward Commitment Maturity Date” means November 1, 2027, subject to extension by the Credit Facility Provider as provided in the Forward Commitment.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“Freddie Mac Credit Enhancement Fee” shall have the meaning given to that term in the Reimbursement Agreement.

“Freddie Mac Credit Enhancement Payment” shall have the meaning given to that term in the Credit Enhancement Agreement.

“Freddie Mac Reimbursement Amount” shall have the meaning given to that term in the Reimbursement Agreement.

“Government Obligations” means investments meeting the requirements of clause (ii)(a) or (b) of the definition of “Qualified Investments” herein.

“Guaranteed Payment” shall have the meaning given to that term in the Credit Enhancement Agreement.

“Guide” means the Freddie Mac Multifamily Seller/Servicer Guide, as the same may be amended, modified or supplemented from time to time.

“Indenture” means this Trust Indenture, as the same may have been from time to time amended or modified, together with any other indentures supplemental hereto.

“Initial Collateral Fund Deposit” means Eligible Funds in the amount of \$[51,000].

“Initial Series B Interest Rate” means, with respect to the Series B Bonds, []% per annum.

“Information Service” means in accordance with then-current guidelines of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor entity or entities designated by the Securities and Exchange Commission.

“Initial Mandatory Tender Date” means, with respect to the Series B Bonds, November 1, 2027.

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Series B Bonds on such date, as provided in Section 3.10 hereof, are satisfied.

“Intercreditor Agreement” means the Intercreditor Agreement dated as of the Conversion Date among the Issuer, the Trustee and Freddie Mac, as the same may be amended or supplemented.

“Interest Payment Date” means (i) November 1 and May 1 of each year, beginning on May 1, 2025, (ii) for Bonds subject to redemption but only with respect to such Bonds, the date of redemption (or purchase in lieu of redemption), (iii) for the Series B Bonds subject to mandatory tender on a Mandatory Tender Date but only with respect to such Series B Bonds, the Mandatory Tender Date and (iv) the Maturity Date.

“Investment Income” means the earnings and profits derived from the investment of money pursuant to Section 4.08 hereof.

“Investor Member” means Hudson RGC2 Northwest 4 LLC, its successors and assigns.

“Issuer” means the Fairfax County Redevelopment and Housing Authority, a political subdivision of the State, and any successor to its power and duties under the Act.

“Issuer Fees and Expenses” means, collectively, the Ordinary Issuer Fees and Expenses and the Extraordinary Issuer Fees and Expenses.

“Letter of Representations” means when all the Bonds are Book-Entry Bonds, the Blanket Letter of Representations executed by the Issuer and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Mandatory Tender Date” means with respect to the Series B Bonds, (a) the Initial Mandatory Tender Date and (b) if the Series B Bonds Outstanding on such date or on any

subsequent Mandatory Tender Date are remarketed pursuant to Section 3.10 hereof for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Market Risk Event” means (a) legislation enacted by the Congress, (b) a final non-appealable decision rendered by a court established under Article III of the Constitution of the United States of America, or the United States Tax Court, or (c) an order, ruling or regulation issued by the United States Department of the Treasury or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing interest received by any Bondholder (other than a Bondholder who is a “substantial user” of the Project or a “related person” of a substantial user (each within the meaning of Section 147(a) of the Code)) to be included in the gross income of such Bondholder for purposes of federal income taxation.

“Maturity Date” means each applicable maturity date for the Bonds as set forth in Section 2.01(c).

“Maximum Rate” means the lesser of 15% per annum or the highest rate of interest that may be paid under the laws of the State.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Negative Arbitrage Deposit” means individually or collectively, as applicable, the Series A Negative Arbitrage Deposit and the Series B Negative Arbitrage Deposit.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“Ordinary Issuer Fees and Expenses” means:

(a) the origination fee of the Issuer in the amount of \$[137,400] due and payable on the Delivery Date;

(b) the upfront monitoring fee of the Issuer for the Series B Bonds in the amount of \$65,000 per annum for the period commencing on the Delivery Date until the Initial Mandatory Tender Date (totaling \$195,000), due and payable on the Delivery Date (and if the Series B Bonds are remarketed to another extended Mandatory Tender Date, the allocable portion of such \$65,000 per annum fee corresponding to such extended period, due and payable on the date of such remarketing and extension); and

(c) the ongoing monitoring fee of the Issuer for the Series A Bonds in the amount of 0.25% per annum of the outstanding principal amount of the Series A Bonds payable on a monthly basis commencing December 1, 2024 and the first day of each month thereafter from amounts transferred or deposited to the Administration Fund.

“Ordinary Services” and “Ordinary Expenses” means those services normally rendered, and those expenses normally incurred, by a trustee or by a state or municipal issuer of tax-exempt debt under instruments similar to this Indenture.

“Ordinary Servicing Fees and Expenses” means the ordinary fees payable to the Servicer in connection with the servicing of the Bond Loan under the Guide, payable monthly in arrears as provided in the Reimbursement Agreement.

“Ordinary Trustee’s Fees and Expenses” means the annual administration fee for the Trustee’s ordinary fees and expenses in rendering its services under this Indenture during each twelve-month period, which fee is equal to (and shall not exceed) \$4,000 for the Series A Bonds and \$4,000 for the Series B Bonds for as long as such Bonds are Outstanding and shall be payable semi-annually in advance on the Delivery Date and each November 1 thereafter, commencing on November 1, 2025.

“Outstanding” when used with respect to the Bonds or “Bonds Outstanding” means, as of any date, all Bonds that have been duly authenticated and delivered by the Trustee under this Indenture, except:

- (i) Bonds surrendered and replaced upon exchange or transfer, or cancelled because of payment or redemption, at or prior to such date;
- (ii) Bonds for the payment, redemption or purchase for cancellation of which sufficient money has been deposited prior to such date with the Trustee (whether upon or prior to the maturity, amortization or redemption date of any such Bonds), or which are deemed to have been paid and discharged pursuant to the provisions of Section 9.01 hereof; provided that if such Bonds are to be redeemed prior to the maturity thereof, other than by scheduled amortization, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and
- (iii) Bonds in lieu of which others have been authenticated (or payment, when due, of which is made without replacement) under Section 2.07 hereof; and also except that

For the purpose of determining whether the holders of the requisite amount of Bonds Outstanding have made or concurred in any notice, request, demand, direction, consent, approval, order, waiver, acceptance, appointment or other instrument or communication under or pursuant to this Indenture, Bonds known to the Trustee to be owned by or for the account of the Borrower or any Person owned, controlled by, under common control with or controlling the Borrower shall be disregarded and deemed to be not Outstanding, unless all Bonds shall be so owned, and provided that the Trustee has knowledge of the foregoing; provided, further, that all Purchased Bonds shall be deemed to be Outstanding, and the Trustee shall follow any direction provided by the Credit Facility Provider with respect to Purchased Bonds for the purposes hereof (Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee’s right to vote such Bonds, and in the event of a dispute

as to the existence of such right, any decision by the Trustee taken upon the advice of counsel shall constitute full protection to the Trustee). The term “control” (including the terms “controlling”, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Beneficial ownership of 5% or more of a class of securities having general voting power to elect a majority of the board of directors of a corporation shall be conclusive evidence of control of such corporation.

“Paying Agent” means the Trustee acting as such, or any other paying agent appointed pursuant to this Indenture.

“Permanent Phase” has the meaning given to that term in the Construction Phase Financing Agreement.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated association, a limited liability company or a government or any agency or political subdivision thereof, or any other organization or entity (whether governmental or private).

“Pledge Agreement” means that certain Pledge, Security and Custody Agreement dated the Conversion Date by and among Freddie Mac, the Custodian, and the Borrower, as originally executed or as modified or amended from time to time.

“Principal Office of the Credit Facility Provider” means the office of Freddie Mac located at 8100 Jones Branch Drive, McLean, Virginia 22102, or such other office or offices as Freddie Mac may designate in writing from time to time.

“Principal Office of the Trustee” means the office of the Trustee referenced in Section 11.05(a) hereof, or such other office or offices as the Trustee may designate in writing from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

“Project” means, collectively, the land and residential rental apartment units, and related fixtures, equipment, furnishings and site improvements known as “Residences at Government Center 2 – NW4” located at 12040 Government Center Parkway, Fairfax, Virginia 22035.

“Purchased Bond” means on and after the Conversion Date, any Series A Bond during the period from and including the date of its purchase by the Trustee on behalf of the Borrower pursuant to Section 3.06 hereof with amounts provided by the Credit Facility Provider under the Credit Facility, to, but excluding, the date on which such Series A Bond is (a) transferred pursuant to and in accordance with Section 3.06 hereof or (b) redeemed or otherwise cancelled.

“Purchase Price” means, with respect to any Bond to be purchased pursuant to Section 3.06 hereof, the principal amount of such Bond plus any redemption premium due thereon plus interest accrued thereon to the Settlement Date.

“Purchased Bonds Account” means the Purchased Bonds Account of the Bond Fund established by the Trustee pursuant to Section 4.01 hereof.

“Qualified Investments” means:

i. prior to Conversion, any of the following if and to the extent permitted by law: (a) noncallable, non-redeemable direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof; (c) shares or units in any money market mutual fund rated “Aaa-mf” by the Rating Agency (or the equivalent highest rating (as defined below) given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America; and (d) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Trustee or such other institution has been rated at least “VMIG-1”/“A-1+” by the Rating Agency which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; and

ii. on or following Conversion, any of the following if and to the extent permitted by law: (a) noncallable, non-redeemable direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof; (c) shares or units in any money market mutual fund rated “Aaa-mf” by the Rating Agency (or the equivalent highest rating (as defined below) given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America; (d) senior debt obligations of Freddie Mac; (e) senior debt obligations of Fannie Mae; (f) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Trustee or such other institution has been rated at least “VMIG-1”/“A-1+” by the Rating Agency which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (g) investment agreements with Freddie Mac or a bank or any insurance company or other financial institution which has a rating assigned by the Rating Agency to its outstanding

long-term unsecured debt which is the highest rating (as defined below) for long-term unsecured debt obligations assigned by the Rating Agency, and which are approved by the Credit Facility Provider; (h)(i) tax-exempt obligations rated in the highest short term rating category by the Rating Agency, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AAA” by the Rating Agency (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Trustee or its affiliates receive a fee for investment advisory or other services to the fund; or (i) on and after the Conversion Date, any other investments approved in writing by the Credit Facility Provider.

For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG-1”/“A-1+” for obligations with less than one year maturity; at least “Aaa”/“VMIG-1”/“AAA”/“A-1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/“AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index.

“Rating Agency” means Moody’s, or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“Rating Category” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Qualified Investment.

“Rebate Analyst” means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Issuer, to make the computations required under this Indenture and the Financing Agreement. Initially, the Rebate Analyst will be Tiber Hudson LLC.

“Rebate Fund” means the Rebate Fund established by the Trustee pursuant to Section 4.01 hereof.

“Record Date” means the 15th day of the month preceding the month in which any Interest Payment Date falls.

“Redemption Fund” means the Redemption Fund established by the Trustee pursuant to Section 4.01 hereof.

“Regulatory Agreement” means the Land Use Restriction Agreement dated as of October 1, 2024 among the Issuer, the Trustee and the Borrower.

“Reimbursement Agreement” means the Reimbursement and Security Agreement dated the Conversion Date between the Borrower and Freddie Mac, as the same may be amended, supplemented or restated from time to time.

“Reimbursement Mortgage” means, the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated the Conversion Date, from the Borrower to Freddie Mac, together with all riders and addenda thereto, granting a second priority mortgage and security interest in the Project to Freddie Mac to secure the obligations of the Borrower under the Reimbursement Agreement and all documents related thereto, as the same may be amended, supplemented or restated from time to time.

“Reimbursement Security Documents” has the meaning given to that term in the Reimbursement Agreement.

“Remarketing Agent” means with respect to the Series B Bonds, initially, Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of Article VII hereof) that may be appointed by the Borrower.

“Remarketing Agent’s Fee” means the fee of the Remarketing Agent for its remarketing services. The Remarketing Agent’s Fee shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Remarketing Agreement” means the Remarketing Agreement dated as of the date hereof, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means with respect to the Series B Bonds, the Initial Remarketing Date and, if the Series B Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to Section 3.09 for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses, other than those set forth in Section 4.2 of the Financing Agreement, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel and the Dissemination Agent in connection with the remarketing of the Series B Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, the cost of any Cash Flow Projections or other verification reports, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Series B Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Member, the Special Member, the Construction Lender and the Servicer.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Series B Bonds are remarketed pursuant to Section 3.09 or the final Series B Bond Maturity Date of the Series B Bonds, as applicable.

“Remarketing Rate” means the interest rate or rates established pursuant to Section 3.10(c) and borne by the Series B Bonds Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Series B Bond Maturity Date of the Series B Bonds, as applicable.

“Requisition” means, with respect to the applicable Bond Proceeds Fund, the requisition in the form of **Exhibit C** to this Indenture required to be submitted in connection with disbursements from the applicable account of the Bond Proceeds Fund, and with respect to the Cost of Issuance Fund, the requisition in the form of **Exhibit B** to this Indenture required to be submitted in connection with disbursements from the Cost of Issuance Fund. Such Requisition for the Bond Proceeds Fund shall be signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Eligible Funds Provider (signifying the consent to the Requisition by the Eligible Funds Provider).

“Responsible Officer” means any officer of the Trustee employed within or otherwise having regular responsibility in connection with the corporate trust department of the Trustee and the trusts created hereunder.

“Revenue Fund” means the Revenue Fund (and any accounts thereunder) established by the Trustee pursuant to Section 4.01 hereof.

“Revenues” means (a) all payments made with respect to the Bond Loan pursuant to the Financing Agreement, the Bond Note or, on and after the Conversion Date, the Bond Mortgage, including all casualty or other insurance benefits and condemnation awards paid in connection therewith (subject in all events to the interests of the Credit Facility Provider therein under the terms of the Credit Facility and the Reimbursement Security Documents), (b) on and after the Conversion Date, payments made by the Credit Facility Provider pursuant to the Credit Facility, and (c) all money and securities held by the Trustee in the funds and accounts established pursuant to this Indenture (excluding money or securities designated for deposit into and held in the Cost of Issuance Fund, the Administration Fund, the Credit Facility Reimbursement Fund and the Rebate Fund), together with all investment earnings thereon.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Securities Depository” means (a) The Depository Trust Company; or (b) any replacement registered securities depository which has been designated in a Certificate of the Issuer delivered to the Trustee and the Credit Facility Provider pursuant to Section 2.12 hereof.

“Series A Bond Maturity Date” means November 1, 2044.

“Series A Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project) Series 2024A in the aggregate principal amount of \$[13,220,000] authorized under, secured by and issued pursuant to this Indenture.

“Series A Negative Arbitrage Deposit” means Eligible Funds in the amount of \$[_____] to be deposited on the Delivery Date into the Series A Negative Arbitrage Account in the Revenue Fund and as otherwise set forth in the Bond Closing Memorandum.

“Series A Project Account” means the Series A Project Account of the Bond Proceeds Fund established by the Trustee pursuant to Section 2.11 hereof.

“Series B Bond Maturity Date” means [November 1, 2028].

“Series B Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project) Series 2024B in the aggregate principal amount of \$[6,130,000] authorized under, secured by and issued pursuant to this Indenture.

“Series B Negative Arbitrage Deposit” means Eligible Funds in the amount of \$[_____] to be deposited on the Delivery Date into the Series B Negative Arbitrage Account in the Revenue Fund and as otherwise set forth in the Bond Closing Memorandum.

“Series B Project Account” means the Series B Project Account of the Bond Proceeds Fund established by the Trustee pursuant to Section 2.11 hereof.

“Servicer” means the eligible servicing institution designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Loan), or its successor, as servicer of the Bond Loan, following Conversion. Initially, the Servicer shall be Capital One, National Association.

“Settlement Date” means any date on which any Bond is purchased or deemed purchased pursuant to Section 3.06 hereof.

“Special Member” means Hudson SLP LLC, its successor and assigns.

“State” means the Commonwealth of Virginia.

“Tax Certificate” means the Tax Compliance Agreement and No Arbitrage Certificate dated as of the Delivery Date, by and between the Borrower and the Issuer.

“Trustee” means The Bank of New York Mellon Trust Company, N.A. and its successors in trust hereunder.

“Trust Estate” shall have the meaning given to that term in the granting clauses of this Indenture.

“Unassigned Rights” means (a) all rights which the Issuer and its officers, officials, directors, agents and employees may have under this Indenture, the Financing Agreement and the Regulatory Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, directors, agents or employees; (b) the right of the Issuer to give and receive notices, reports, certifications, or other information hereunder, under the Financing Agreement and under the Regulatory Agreement; (c) the right of the Issuer to receive its fees and expenses; (d) the Issuer’s approval rights; (e) the rights

of the Issuer with respect to inspections; (f) the rights of the Issuer with respect to publicity and signage; (g) the notification, indemnification and enforcement rights of the Issuer in Section 6 of the Financing Agreement; (h) the rights of the Issuer with respect to limited liability; (i) all rights of the Issuer to enforce the covenants and agreements and to take action for the breach of any representation or warranty of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excludable from gross income for federal income tax purposes, as are set forth in any of the Bond Financing Documents, including any certificate or agreement executed by the Borrower; (j) all rights of the Issuer in connection with any amendment to or modification of any of this Indenture and the Financing Agreement, or the Regulatory Agreement insofar as any such amendment or modification would affect the Unassigned Rights of the Issuer; and (k) all enforcement rights with respect to the foregoing. All of the foregoing rights of the Issuer under this Indenture, the Financing Agreement and the Regulatory Agreement are reserved to the Issuer, as none of these rights under this Indenture, the Financing Agreement or the Regulatory Agreement are being assigned by the Issuer to the Trustee.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

“Wrongful Dishonor” means the failure of the Credit Facility Provider to honor a draw made in accordance with the terms of the Credit Facility (which draw strictly complies with, and conforms to, the terms and conditions of the Credit Facility).

Section 1.02 Interpretation. The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. References to Articles, Sections, and other subdivisions of this Indenture are to the designated Articles, Sections and other subdivisions of this Indenture as originally executed. The headings of this Indenture are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

THE BONDS

Section 2.01 The Bonds.

(a) The Bonds are authorized to be issued hereunder as revenue bonds of the Issuer in accordance with the Bond Resolution. The Bonds shall be issued in two series designated “**Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A**” and “**Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B**”. The Bonds shall be fully registered as to principal and interest, without coupons, and shall be numbered by series, if any, in the manner and with any additional designation as the Trustee, as Bond Registrar, deems necessary for the

purpose of identification. All of the Bonds are equally and ratably secured. Bonds issued on the Delivery Date shall be dated such date; Bonds issued after the Delivery Date shall be dated the date they are authenticated by the Trustee. The Bonds shall be due and payable in full on their Maturity Dates. The Series B Bonds shall be subject to mandatory tender on each Mandatory Tender Date.

(b) The Series A Bonds shall bear interest from the Delivery Date at the fixed interest rate provided in Section 2.01(c) below. The Series B Bonds shall bear interest from the Delivery Date to but not including the Initial Mandatory Tender Date, at a rate per annum equal to the Initial Series B Interest Rate and during each subsequent Remarketing Period, at a rate per annum equal to the Remarketing Rate; provided, however, that in no event shall interest paid on the Series B Bonds exceed the Maximum Rate. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds shall be payable on each Interest Payment Date, in each case from the Interest Payment Date next preceding the date of authentication thereof to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of the Bond, or unless no interest has been paid or duly provided for on the Bonds, in which case from the Delivery Date, until payment of the principal of the Bond has been made or duly provided for. Notwithstanding the foregoing, if a Bond is authenticated after a Record Date and before the following Interest Payment Date, such Bond shall bear interest from such Interest Payment Date; provided, however, that if there shall be a default in the payment of interest due on such Interest Payment Date, then the Bonds shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on the Bonds, from the Delivery Date.

(c) The Bonds shall be issued in Authorized Denominations and shall bear interest payable on each Interest Payment Date at the rates per annum and shall mature, subject to redemption prior to maturity as provided in Article III hereof, on the dates set forth in the schedule below:

SERIES A BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
November 1, 2024	[\$13,220,000]	

SERIES B BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Initial Interest Rate</u>
[November 1, 2028]	[\$6,130,000]	

(d) The Person in whose name any Bond is registered on the Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is

prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent the Issuer shall default in the payment of the interest due on any Interest Payment Date, such defaulted interest shall be paid as provided in the next paragraph.

(e) Any interest on any Bond that is due and payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called “Defaulted Interest”) shall forthwith cease to be payable to the person in whose name such Bond is registered on the relevant Record Date and shall be paid in the manner set forth in this paragraph. The Trustee may elect to make payment of any Defaulted Interest to the Persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on a special record date for the payment of such Defaulted Interest (a “Special Record Date”), which shall be fixed in the following manner. The Trustee shall determine the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (a “Special Interest Payment Date”), shall fix a Special Record Date for the payment of such Defaulted Interest (which shall be not more than 15 nor less than 10 days prior to the Special Interest Payment Date) and shall cause notice of the Special Record Date and the proposed payment of such Defaulted Interest on the Special Interest Payment Date therefor to be mailed, first class, postage prepaid, to each Bondholder at such Bondholder’s address as it appears in the Bond Register not less than 10 days prior to such Special Record Date; notice of the proposed payment of such Defaulted Interest on the Special Interest Payment Date and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective predecessor Bonds) are registered on such Special Record Date.

(f) Subject to Section 2.12, payment of principal of, premium, if any, and interest on the Bonds shall be paid by check mailed on the Interest Payment Date to the registered Owner thereof at such registered Owner’s address as it appears on the Bond Register on the Record Date. Upon written request of a registered Owner of at least \$1,000,000 in principal amount of Bonds Outstanding received by the Trustee at least five (5) Business Days prior to a Record Date, all payments of principal, premium, if any, and interest on the Bonds, less any reasonable wire transfer fees imposed by the Trustee, shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such registered Owner.

(g) On or before the date fixed for redemption, money shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such money to the payment of, the Bonds or portions thereof called for redemption, together with accrued interest thereon to the redemption date. CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, redemption price, premium, if any, and interest, whether by check or by wire transfer.

(h) No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder, or in substitution for other Bonds pursuant to Section 2.07 or Section 2.08 hereof, is expressly limited to \$[19,350,000].

Section 2.02 Intentionally Omitted.

Section 2.03 Limited Obligations. The Bonds, and the premium, if any, and interest thereon, are limited obligations of the Issuer, the principal of, premium, if any, and interest on which are secured by and payable solely from the Trust Estate.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THIS INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Section 2.04 Indenture Constitutes Contract. In consideration of the purchase and acceptance of the Bonds issued hereunder by those who shall hold them from time to time, the provisions of this Indenture shall be part of the contract of the Issuer with the Holders of the Bonds and shall be deemed to be a contract between the Issuer and the Holders of the Bonds from time to time.

Section 2.05 Form and Execution. The Bonds shall be in substantially the forms attached as **Exhibit A-1** with respect to the Series A Bonds and **Exhibit A-2** with respect to the Series B Bonds, with necessary and appropriate variations, omissions and insertions as are customary, permitted or required by this Indenture. Each Bond shall be signed by the Chair or Vice Chair and attested by the Secretary or an Assistant Secretary of the Issuer in their official capacities (provided that any or all of those signatures may be facsimiles). In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be that officer before the issuance of the Bond, such signature or the facsimile thereof nevertheless shall be valid and sufficient for all purposes, the same as if he or she had remained in office until that time. Any Bond may be executed on behalf of the Issuer by an officer who, on the date of execution is the proper officer, although on the date of the Bond that person was not the proper officer.

Section 2.06 Authentication. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless a certificate of authentication on such Bond, substantially in the forms set forth in **Exhibit A-1** and **Exhibit A-2**, shall have been duly

executed by an Authorized Officer of the Trustee; and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been duly executed, registered, authenticated and delivered under this Indenture. It shall not be necessary that the same Person sign the certificate of authentication on all of the Bonds.

Section 2.07 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of like denomination, interest rate, series, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond or in lieu of and in substitution for such lost, stolen or destroyed Bond, upon payment by the Owner thereof of any applicable tax or governmental charge and the reasonable expenses and charges of the Issuer and the Trustee in connection therewith, and in the case of a Bond lost, stolen or destroyed, the filing with the Trustee of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Issuer and the Trustee with indemnity satisfactory to each of them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond or Bonds the Issuer may pay the same without surrender thereof.

Section 2.08 Transfer and Exchange of Bonds; Persons Treated as Owners. The Trustee as Bond Registrar shall cause a Bond Register to be kept for the registration of transfers of Bonds. Any Bond may be transferred only upon an assignment duly executed by the registered Owner or such registered Owner's duly authorized representative in such form as shall be satisfactory to the Bond Registrar and upon surrender of such Bond to the Trustee for cancellation. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Trustee shall authenticate and deliver to the transferee a replacement fully registered Bond or Bonds, of Authorized Denomination or Denominations and for the amount of such Bond or Bonds so surrendered.

Any Bond may, in accordance with its terms, be exchanged, at the office of the Trustee, for a new fully registered Bond or Bonds, of the same maturity, of any Authorized Denomination or Denominations and for the aggregate amount of such Bond then Outstanding.

In all cases in which Bonds shall be transferred or exchanged hereunder, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the Borrower.

The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered Owner thereof, or such registered Owner's legal representative, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

Neither the Issuer nor the Trustee shall be required to make any such exchange, registration or transfer of Bonds during the period of fifteen (15) days immediately preceding an Interest

Payment Date or, in the case of any proposed redemption of Bonds, during the period of fifteen (15) days immediately preceding the selection of Bonds for such redemption and after the giving of notice of redemption, the Trustee is not required to transfer or exchange any Bond or portion thereof which has been called for redemption.

Section 2.09 Temporary Bonds. Until definitive Bonds are ready for delivery, there may be executed, and upon the request of the Issuer the Trustee shall authenticate and deliver, in lieu of definitive Bonds, temporary printed, typewritten, engraved or lithographed Bonds, in such denomination or denominations as shall be determined by the Issuer, in fully registered form, in substantially the form hereinabove set forth and with such appropriate omissions, insertions and variations as may be required.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it, at the Principal Office of the Trustee, of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond or Bonds, as the case may be, of an equal aggregate principal amount, of the same maturities and bearing interest at the same rates as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder. Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid on presentation of such temporary Bonds and notation of such payment shall be endorsed thereon by the Trustee.

Section 2.10 Delivery of Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to or upon the order of the Issuer upon receipt by the Trustee of the following:

- (a) executed counterparts of this Indenture, the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Construction Phase Financing Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and the Remarketing Agreement;
- (b) the written order and authorization to the Trustee by the Issuer to authenticate and deliver the Bonds to the initial purchasers thereof upon payment to the Trustee, for the account of the Issuer, of the sum specified as the purchase price therefor in such request and authorization;
- (c) an opinion of Bond Counsel or counsel to the Issuer to the effect that the Issuer is duly organized and existing under the laws of the State and has duly authorized, executed and delivered this Indenture and other Bond Financing Documents to which it is a party and the Bonds and that the Bonds are entitled to the benefits of this Indenture and are valid and binding special, limited obligations of the Issuer enforceable in accordance with their terms subject to customary exceptions;
- (d) sale proceeds of the Bonds, together with accrued interest thereon, if any;
- (e) a UCC-1 financing statement for recordation with respect to the Trust Estate;
- (f) the Bond Note;

(g) an opinion of counsel to the Borrower to the effect that the Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which the Borrower transacts business and has full power and authority to enter into the agreements described herein to which it is a party, that its execution and delivery of and performance of its covenants in such agreements do not contravene law or any provision of any other agreement to which it is a party or by which it or such property is bound or affected, and that all such agreements have been duly authorized, executed and delivered by the Borrower, and are legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms;

(h) a customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that the interest on the Bonds, under laws in effect on the date of such opinion, is excluded from gross income for federal income tax purposes and, where applicable, for State income tax purposes;

(i) a certified copy of the Bond Resolution;

(j) receipt by the Trustee of the amounts specified in Section 4.01 of this Indenture and Section 3.3 of the Financing Agreement;

(k) a copy of the rating letter from the Rating Agency evidencing a rating on the Bonds of "Aaa/VMIG 1"; and

(l) the Letter of Representations.

Section 2.11 Establishment of Bond Proceeds Fund; Application of Bond Proceeds and Other Money; Assignment of Bond Loan to Trustee.

(a) The Trustee shall establish, maintain and hold in trust and there is hereby established with the Trustee a Bond Proceeds Fund and therein a Series A Bond Proceeds Account and a Series B Bond Proceeds Account. No amount shall be charged against the Bond Proceeds Fund except as expressly provided in this Section 2.11 and Section 4.02 hereof.

(b) The proceeds of the sale of the Bonds shall be delivered to the Trustee on the Delivery Date. The Trustee shall deposit such proceeds from the Series A Bonds to the credit of the Series A Bond Proceeds Account and from the Series B Bonds to the credit of the Series B Bond Proceeds Account. Amounts in the Bond Proceeds Fund shall be disbursed as provided in subparagraph (d) below, subject to the conditions set forth in Section 3.1 of the Financing Agreement. Upon the disbursement of all amounts in the Bond Proceeds Fund, the Trustee shall close the Bond Proceeds Fund.

(c) The Borrower shall deliver funds as set forth in the Bond Closing Memorandum, on or prior to the Delivery Date, including the Costs of Issuance Deposit, the Administration Fund Deposit and the Initial Collateral Fund Deposit, and any other amount set forth therein, for deposit with the Trustee and/or the title company.

(d) Upon the deposit of money to the credit of the Bond Proceeds Fund, the Issuer shall originate the Bond Loan pursuant to the Financing Agreement and the Trustee shall make

disbursements of amounts in the Bond Proceeds Fund to the Borrower or otherwise as provided in Section 4.02 hereof.

Section 2.12 Book-Entry Only System of Registration.

(a) Notwithstanding the foregoing provisions of this Article II, each of the Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Except as provided in subparagraph (g) below, all of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Trustee shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such nominee or nominees of DTC. No Person other than DTC or its nominee or any “FAST” agent for DTC shall be entitled to receive from the Issuer or the Trustee either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the Bond Register in connection with discontinuing the book entry system as provided in paragraph (f) below or otherwise.

(b) With respect to Bonds registered in the registry books kept by the Trustee in the name of Cede, as nominee of DTC, the Issuer and the Trustee shall have no responsibility or obligation to any participant of DTC (a “**Participant**”) or to any person for whom a Participant acquires an interest in the Bonds (a “**Beneficial Owner**”). Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, or (iii) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Issuer and the Trustee may treat as and deem DTC to be the absolute owner of each Bond for the purpose of payment of the principal of and interest on such Bond, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. Payments of principal may be made without requiring the surrender of the Bonds, and the Issuer and Trustee shall not be liable for the failure of DTC or any successor thereto to properly indicate on the Bonds the payment of such principal. No person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal of and interest on the Bonds pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word “Cede” in this Indenture shall refer to such new nominee of DTC.

(c) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to DTC or its nominee in same day funds on the dates provided for such payments under this Indenture. Each such payment to DTC or its nominee shall be valid and effective to

fully discharge all liability of the Issuer and the Trustee with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds Outstanding of any series or maturity, the Trustee shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Trustee, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Trustee shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(d) The Issuer and the Trustee may treat DTC or its nominee as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders and for all other purposes whatsoever; and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Neither the Issuer nor the Trustee shall have any responsibility or obligation to any participant in DTC, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other Person which is not shown on the Bond Register as being a Bondholder, with respect to: (1) the accuracy of any records maintained by DTC or any such participant; (2) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery to any participant or to any other Person, other than the Holders as shown on the Bond Register, of any notice which is permitted or required to be given to Holders under this Indenture; (4) the selection by DTC or any such participant of any Person to receive payment in the event of a partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as Holder.

(e) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Holders under this Indenture shall be given to DTC as provided in DTC's procedures, as the same may be amended from time to time.

(f) In connection with any notice or other communication to be provided to Holders pursuant to this Indenture by the Issuer or the Trustee with respect to any consent or other action to be taken by Holders, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the Issuer or the Trustee may establish a special record date for such consent or other action. The Issuer or the Trustee shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either: (1) DTC determines to resign as Securities Depository for the Bonds; or (2) the Issuer determines (with the prior written consent of the Credit Facility Provider if after Conversion) to discontinue the system of book-entry transfers through DTC (or through a successor Securities Depository) subject to the rules and regulations of DTC regarding the discontinuation of the system of book-entry transfers in effect at such time. In either of such events (unless, in the case described in clause (2) above, the Issuer appoints a successor Securities Depository), the Bonds shall be delivered in registered certificate form to such Persons, and in

such series, maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Trustee for the accuracy of such designation. Whenever DTC requests the Issuer and the Trustee to do so, the Issuer and the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another Securities Depository to maintain custody of certificates evidencing the Bonds.

(h) Prior to any transfer of the Bonds that is outside of a Book Entry System (including, but not limited to, the initial transfer outside of a Book Entry System) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(i) The book-entry system for registration of the ownership of the Bonds shall be discontinued in the event that the Bonds are purchased in lieu of redemption pursuant to Section 3.06 hereof (unless otherwise consented to in writing by the Issuer).

Section 2.13 Conversion. Notwithstanding any other provision of this Indenture to the contrary, if the Conversion Notice is issued not less than fifteen (15) days prior to the Forward Commitment Maturity Date, Conversion shall occur on the Conversion Date specified in the Conversion Notice. The Trustee shall, not less than seven (7) days prior to the Conversion Date, give written notice of the Conversion to the Issuer, the Credit Facility Provider, the Borrower, the Remarketing Agent and the Bondholders. Conversion shall not require, and shall be effective without, the consent of the Bondholders. The Issuer and the Trustee acknowledge that on the Conversion Date, pursuant to the Intercreditor Agreement to be executed on the Conversion Date, the Credit Facility Provider will have all of the rights and interests of the Credit Facility Provider under the Bond Financing Documents and the Bond Loan Documents with the authority to exercise the rights provided to the Credit Facility Provider under the Intercreditor Agreement.

Section 2.14 Failed Conversion. If the Conversion Notice is not issued at least fifteen (15) days before the Forward Commitment Maturity Date, Conversion will not occur and the Credit Facility Provider will not have any obligation to provide the Credit Facility and will not otherwise have any obligation with respect to the Bonds or the Bond Loan. If Conversion does not occur before the Forward Commitment Maturity Date, the Bonds will be subject to mandatory redemption as provided in Section 3.01.

ARTICLE III

REDEMPTION, MANDATORY TENDER AND REMARKETING OF BONDS PRIOR TO MATURITY

Section 3.01 Redemption of Bonds Prior to Maturity.

(a) Optional Redemption of Series A Bonds. The Series A Bonds are not subject to optional redemption prior to [_____, 2034]. On and after [_____, 2034], the Series A Bonds are subject to optional redemption from payments made under the Credit Facility (subject to the

limitations set forth in subsection (ii) of this Section 3.01(a)) or with other Eligible Funds deposited with the Trustee,

(i) With the prior written consent of the Credit Facility Provider, in whole or in part, upon optional prepayments on the Bond Loan in accordance with the prepayment restrictions set forth in Section 4.4 of the Financing Agreement on any Business Day, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest, if any, to the redemption date.

(ii) Optional redemption of Bonds at a premium may only be made if the Trustee has received Eligible Funds not consisting of funds drawn under the Credit Facility on or prior to the redemption date in an amount sufficient to pay the applicable redemption premium.

(iii) The Trustee shall effect a redemption of Series A Bonds pursuant to this Section 3.01(a) at the earliest practicable date for which notice may be given hereunder but in no event later than 35 days following its receipt of money representing an optional prepayment of the Bond Loan.

(b) Mandatory Redemption of Series A Bonds. The Series A Bonds are subject to mandatory redemption on any Business Day, in whole or in part as indicated below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, at the earliest practicable date upon the occurrence of any of the following:

(i) after the Conversion Date, in whole or in part, upon receipt by the Trustee of (1) proceeds of a draw under the Credit Facility, in the amount of Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Loan, such amount to be applied to reimburse the Credit Facility Provider for the draw under the Credit Facility as a result of casualty or condemnation of the Project and (2) a written direction by the Credit Facility Provider to redeem such Series A Bonds using money obtained as a result of such draw upon the Credit Facility; or

(ii) after the Conversion Date, in whole or in part, upon receipt by the Trustee of amounts from the Credit Facility Provider pursuant to the Credit Facility as a result of the occurrence of an event of default (after expiration of any notice and cure periods) under any Bond Loan Document and receipt by the Trustee of a written direction by the Credit Facility Provider to redeem the Bonds pursuant to the Credit Facility; or

(iii) in part, pursuant to a mandatory sinking fund redemption, as provided Section 3.01(c); or

(iv) five (5) calendar days after the Conversion Date Deadline, in whole, if the Conversion Date has not occurred on or prior to the Conversion Date Deadline, as such date may be extended pursuant to Section 3.11 hereof, payable with respect to principal first, from money on deposit in the Series A Collateral Account and second, from money on deposit in the Series A Bond Proceeds Account and accrued but unpaid interest to the redemption date, first, from money on deposit in the Series A General Account and second,

from money on deposit in the Series A Negative Arbitrage Account, and third, from other Eligible Funds available or made available for such purpose; or

(v) on the Conversion Date, in part, in an amount equal to the positive difference, if any, between (i) the aggregate principal amount of the Series A Bonds Outstanding as of the first day of the month in which the Conversion Date occurred and (ii) the Actual Bond Loan Amount, payable with respect to principal first, from money on deposit in the Series A Bond Proceeds Account and second, from money on deposit in the Series A Collateral Account, and with respect to the accrued but unpaid interest to the redemption date, first, from money on deposit in the Series A General Account and second, from money on deposit in the Series A Negative Arbitrage Account, and third, from any other Eligible Funds available or made available for such purpose.

(c) Mandatory Sinking Fund Redemption of Series A Bonds. The Series A Bonds are subject to mandatory sinking fund redemption on each November 1 and May 1, commencing November 1, 2028, in the amounts set forth in the table below; provided that if less than all the Series A Bonds shall have been redeemed pursuant to Section 3.01(a) or 3.01(b), the amount of Series A Bonds to be redeemed in each year from sinking fund installments as provided in this Section 3.01(c) shall be decreased by an amount, in proportion, as nearly as practicable, to the decrease in the payments on the Bond Loan in such year as determined by the Trustee (in consultation with the Servicer):

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>

(d) Optional Redemption of Series B Bonds. The Series B Bonds are not subject to optional redemption prior to [May 1, 2027]. On or after [May 1, 2027], the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption date during any subsequent Remarketing Period, in which case the Series B Bonds shall be subject to optional redemption in whole but not in part by the Issuer at the written direction of the Borrower (with delivery of a Cash Flow Projection and written notice to the Trustee at least 30 days prior to the

proposed redemption date) on any Business Day during such Remarketing Period at a redemption price of 100% of the principal amount of such Series B Bonds to be redeemed plus accrued interest to the applicable redemption date.

(e) Mandatory Redemption for Failure to Remarket Series B Bonds. The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Series B Bonds; (ii) the conditions to remarketing set forth in Section 3.10 hereof have not been met by the dates and times set forth therein; or (iii) the proceeds of a remarketing on deposit in the Series B Remarketing Proceeds Account at 11:00 a.m., New York time, on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Series B Bonds on such Mandatory Tender Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from, in order, (i) amounts on deposit in the Series B Collateral Account, (ii) amounts on deposit in the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Account, and (iv) any other Eligible Funds available or made available for such purpose.

(f) Mandatory Redemption of Series B Bonds on Conversion Date. The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on the Conversion Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Series B Collateral Account, (ii) amounts on deposit in the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Account, and (iv) any other Eligible Funds available or made available for such purpose.

Section 3.02 Selection of Series A Bonds for Redemption.

(a) On and after the Conversion Date, the Trustee shall select Series A Bonds subject to mandatory sinking fund redemption pursuant to Section 3.01(c) hereof by lot within the appropriate maturity. If less than all the Series A Bonds then Outstanding shall be called for redemption other than as a result of mandatory sinking fund redemption pursuant to Section 3.01(c) hereof, the Trustee shall redeem an amount of Series A Bonds so that the resulting decrease in debt service on the Series A Bonds in each semiannual period ending on an Interest Payment Date is proportional, as nearly as practicable, to the decrease in the payments on the Bond Note in each such semiannual period, as determined by the Trustee in consultation with by the Servicer, and the Bonds shall be selected by lot within each maturity, the cost of such selection being at the Borrower's expense.

(b) Any Bonds shall be redeemed pursuant to this Article III only in Authorized Denominations.

Section 3.03 Notice of Redemption. Notice of the intended redemption of each Bond shall be given by the Trustee by first class mail, postage prepaid, or by Electronic Notice, to the registered Owner at the address of such Owner shown on the Bond Register. All such redemption

notices shall be given not less than twenty (20) days (not less than fifteen (15) days in the case of a mandatory redemption of the Bonds on the Conversion Date and not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. On and after the Conversion Date, the Trustee may provide a conditional notice of redemption of Series A Bonds upon the direction of the Credit Facility Provider or the Borrower (with the prior written consent of the Credit Facility Provider).

Notices of redemption shall state the redemption date and the redemption price, the place or places where amounts due upon such redemption will be payable, and, if less than all of the then Outstanding Bonds are called for redemption, shall state (i) the numbers of the Bonds to be redeemed by giving the individual certificate number of each Bond to be redeemed or shall state that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption only if bonds cease to be book entry bonds; (ii) the CUSIP numbers of all Bonds being redeemed if available; (iii) the amount of each Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Bond as originally issued; (v) the rate of interest borne by each Bond redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the possibility of a purchase of Bonds in lieu of redemption, if applicable; (viii) the conditions, if any, which must be satisfied in order for the redemption to take place on the scheduled date of redemption, including, as provided in Section 3.01(a) hereof, that Eligible Funds are available to pay any redemption premium or the redemption price, as and if applicable, on the Bonds; and (ix) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each notice of redemption shall state that further interest on such Bonds will not accrue from and after the redemption date and that payment of the principal amount and premium, if any, will be made upon presentation and surrender of the Bonds at the Principal Office of the Trustee unless the Bonds are then held in a book-entry only system of registration.

Notice of such redemption shall also be sent by first class mail, overnight delivery service, Electronic Notice or other secure means, postage prepaid, to the Credit Facility Provider, to the Servicer, to the Rating Agency, to all of the Securities Depositories and to the Information Service that disseminates securities redemption notices, when possible, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

In addition to providing notice of redemption as set forth above, if the Bonds are no longer held in book-entry form, the Trustee shall send a second notice of redemption within sixty (60) days following the redemption date, by first class mail, overnight delivery service, or other secure means, postage prepaid to the registered Owners of any Bonds called for redemption, at their addresses appearing on the Bond Register as of the Record Date immediately preceding the redemption date, who have not surrendered their Bonds for redemption within thirty (30) days following the redemption date.

Failure to give notice by mailing to the registered Owner of any Bond designated for redemption or to any depository or Information Service shall not affect the validity of the

proceedings for the redemption of any other Bond if notice of such redemption shall have been mailed as herein provided.

Section 3.04 Cancellation. All Bonds that have been redeemed shall be marked cancelled by the Trustee, and shall not be reissued. A counterpart of the certificate of cancellation evidencing such cancellation shall, upon request, be furnished by the Trustee to the Issuer.

Section 3.05 Effect of Notice of Redemption. If a conditional notice of redemption has been provided pursuant to the terms of this Indenture and the conditions are not satisfied, such notice of redemption shall be of no force and effect and the Bondholders shall be restored to their former positions as though no such notice of redemption had been delivered. Notice of redemption having been given in the manner provided in this Article III and if either there were no conditions to such redemption or the conditions have been satisfied, and money for the redemption being held by the Trustee or Paying Agent for that purpose, thereupon the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue on such date; and such Bonds shall thereafter no longer be entitled to any security or benefit under this Indenture except to receive payment of the redemption price thereof.

Section 3.06 Purchase of Series A Bonds in Whole in Lieu of Redemption following the Conversion Date. Notwithstanding anything in this Indenture to the contrary, on and after the Conversion Date, at any time the Series A Bonds are subject to redemption in whole pursuant to the provisions of this Indenture, all (but not less than all) of the Series A Bonds to be redeemed may be purchased by the Trustee (for the account of the Borrower or the Credit Facility Provider or their respective designee, as directed by such party) on the date which would be the redemption date at the direction of the Credit Facility Provider or the Borrower, with the prior written consent of the Credit Facility Provider and the Issuer (which direction shall specify that such purchase is pursuant to this Section 3.06 and shall be given no later than 5:00 p.m., Washington, D.C. time on the Business Day immediately prior to such redemption date), at a purchase price equal to the redemption price which would have been applicable to such Series A Bonds on the redemption date. The Series A Bonds shall be purchased in lieu of redemption only from amounts provided by the Credit Facility Provider or from other Eligible Funds. In the event the Trustee is so directed to purchase Series A Bonds in lieu of redemption, no notice to the holders of the Series A Bonds to be so purchased (other than the notice of redemption otherwise required hereunder) shall be required, and the Trustee shall be authorized to apply to such purpose the funds in the Redemption Fund which would have been used to pay the redemption price for such Series A Bonds if such Series A Bonds had been redeemed rather than purchased. Such Series A Bonds so purchased for the account of the Borrower shall for all purposes under this Indenture constitute Purchased Bonds held by the Custodian pursuant to the Pledge Agreement. Following the Conversion Date, Credit Facility Provider shall have the right to direct the transfer of Purchased Bonds (without reinstatement of the Credit Facility which will result in such Series A Bonds being unrated) to the Credit Facility Provider or any subsidiary of the Credit Facility Provider, or to a single Bondholder which has provided the Trustee with a purchaser's letter in the form attached to this Indenture as **Exhibit D** (and otherwise subject to the provisions of Section 2.12(g) hereof), provided that any transfer to the Credit Facility Provider, any subsidiary of the Credit Facility Provider or a single Bondholder as described above, shall require delivery of an opinion of Bond Counsel to the Trustee to the effect that such transfer will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series A Bonds. Such Purchased Bonds, if not transferred

as provided herein, shall be deemed redeemed and cancelled automatically by the Trustee on the date which is not later than two (2) years from the date of purchase, unless an opinion of Bond Counsel is delivered to the Trustee to the effect that not redeeming and canceling such Purchased Bonds will not adversely affect the excludability from gross income for federal income tax purposes of interest on the Series A Bonds. Any purchase of Series A Bonds hereunder is not intended as an extinguishment of the debt represented by the Series A Bonds.

Section 3.07 Cancellation of Purchased Bonds. On or after the Conversion Date, any purchase of the Series A Bonds in lieu of redemption and prior to any transfer of such Purchased Bonds pursuant to Section 3.06 hereof, the Credit Facility Provider may direct the cancellation of Purchased Bonds in whole or in part at any time. No further money shall be required to be paid by the Issuer or the Credit Facility Provider in connection with such cancellation; provided, however, that such cancellation shall not release the obligation of the Borrower to reimburse the Credit Facility Provider for payments made in respect of principal of, interest on or Purchase Price of the Series A Bonds, including Purchased Bonds.

Section 3.08 Mandatory Tender of Series B Bonds.

(a) Purchase of Series B Bonds on Mandatory Tender Dates. All Outstanding Series B Bonds shall be subject to mandatory tender by the Bondholders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Series B Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

(b) Holding of Tendered Series B Bonds. While tendered Series B Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Bondholders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Series B Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Series B Bonds had not been tendered for purchase.

(c) Purchase of Tendered Series B Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Series B Bonds on deposit in the Series B Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Series B Bonds tendered for purchase not later than 11:30 a.m., New York time, on the Mandatory Tender Date.

(d) Cancellation of Remarketing. In the event the Series B Bonds must be redeemed as a result of the occurrence of any of the events listed in Section 3.01(e), the remarketing shall be cancelled and all Series B Bonds outstanding on the Mandatory Tender Date shall be redeemed in accordance with Section 3.01(e).

(e) Undelivered Series B Bonds. Series B Bonds shall be deemed to have been tendered for purposes of this Section 3.08 whether or not the Bondholders shall have delivered such undelivered Series B Bonds to the Trustee, and subject to the right of the holders of such undelivered Series B Bonds to receive the purchase price of such undelivered Series B Bonds on the Mandatory Tender Date, such undelivered Series B Bonds shall be null and void. If such undelivered Series B Bonds are to be remarketed, the Trustee shall authenticate and deliver new

Series B Bonds in replacement thereof pursuant to the remarketing of such undelivered Series B Bonds.

Section 3.09 Notice of Mandatory Tender for Series B Bonds.

(a) Notice to Holders. No later than the 30th day prior to a Mandatory Tender Date, the Trustee shall give written notice of a mandatory tender on the Mandatory Tender Date to the holders of the Series B Bonds Outstanding (with a copy to the Borrower, the Issuer, the Investor Member, the Special Member, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (A) if certain conditions are met, all Outstanding Series B Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Series B Bonds must be tendered for purchase no later than 9:00 a.m., New York time, on the Mandatory Tender Date and (C) Bondholders will not have the right to elect to retain their Series B Bonds;

(ii) the address of the designated corporate trust office of the Trustee at which Bondholders should deliver their Series B Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Series B Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Series B Bonds plus interest accrued to the Mandatory Tender Date;

(iv) that if, in the event that the conditions to remarketing set forth in Section 3.10(b) or Section 3.10(d) hereof are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the Series B Bonds on the Mandatory Tender Date, all of the Series B Bonds will be redeemed, without further notice, on the Mandatory Tender Date; and

(v) that any Series B Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

(b) Second Notice. In the event that any Series B Bond required to be delivered to the Trustee for payment of the purchase price of such Series B Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the holder of the Bond at its address as shown on the Register setting forth the requirements set forth in this Indenture for delivery of the Series B Bond to the Trustee and stating that delivery of the Series B Bond to the Trustee (or compliance with the provisions of this Indenture concerning payment of lost, stolen or destroyed Series B Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Series B Bond.

(c) Failure to Give Notice. Neither failure to give or receive any notice described in this Section 3.09, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this Section 3.09.

Section 3.10 Remarketing of Series B Bonds.

(a) Notice of Mandatory Tender. No later than 11:00 a.m., New York time, on the 35th day prior to each Mandatory Tender Date, the Trustee shall give notice to the Borrower and the Remarketing Agent by telephone or electronic mail, confirmed on the same day in writing, which states that all Outstanding Series B Bonds shall be tendered or deemed to be tendered pursuant to Section 3.08 hereof.

(b) Preliminary Conditions to Remarketing. No later 11:00 a.m., New York time, on the 30th day prior to the Mandatory Tender Date then in effect, if the Borrower elects to cause the Series B Bonds to be remarketed, the Borrower must give notice to the Remarketing Notice Parties by telephone or telecopy, confirmed on the same day in writing, of such election. A remarketing of the Series B Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) notice by the Borrower to the Remarketing Agent of the Remarketing Period, as approved in writing by the Remarketing Agent, which Remarketing Period shall not extend beyond the Forward Commitment Maturity Date, as extended;

(ii) delivery to the Trustee and the Remarketing Agent of a preliminary Cash Flow Projection with respect to the proposed Remarketing Period; and

(iii) the Borrower shall have notified the Trustee in writing that it has approved as to form and substance any disclosure document or offering materials which, in the opinion of counsel to the Remarketing Agent, are necessary to be used in connection with the remarketing of the Outstanding Series B Bonds or that no such disclosure document or offering material are required.

If the foregoing conditions are not satisfied by 11:00 a.m., New York time, on the 15th day prior to the Mandatory Tender Date then in effect (including any extension of the Forward Commitment Maturity Date contemplated by the notice provided under 3.10(b)(i) above), the remarketing shall be cancelled and the Series B Bonds shall be redeemed in accordance with Section 3.01(e).

(c) Establishment of Remarketing Rate. The Remarketing Agent shall establish the interest rate on the Series B Bonds Outstanding for each Remarketing Period at the Remarketing Rate in accordance with this Section 3.10. Not less than ten (10) Business Days preceding each Remarketing Date, the Remarketing Agent, taking into consideration prevailing market conditions, shall, using its best professional judgment, determine the minimum rate(s) of interest which, if borne by the Series B Bonds Outstanding for the Remarketing Period specified by the Remarketing Agent at the direction of the Borrower as provided in this Section 3.10 would result in such Series B Bonds being remarketed at par. The rate of interest determined in accordance with the previous sentence shall be the Remarketing Rate for the specified Remarketing Period; provided that if the rate of interest so determined for such period would exceed the Maximum Rate, the Series B Bonds Outstanding shall be remarketed for the longest Remarketing Period for which the minimum rate of interest that would enable such Series B Bonds to be remarketed at a price equal to 100% of the principal amount of such Series B Bonds that would not exceed the Maximum Rate.

Notwithstanding the foregoing, if the rate of interest so determined for any Remarketing Period would exceed the Maximum Rate, the Series B Bonds Outstanding shall not be remarketed.

(d) Notice of Remarketing Rate. The Remarketing Agent shall, upon determination of the Remarketing Rate and Remarketing Period, immediately (and in no event later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period) give notice of its determination by telephone or telecopy, promptly confirmed in writing, to the Trustee, the Issuer, the Investor Member, the Special Member, and the Borrower. The Remarketing Rate and the Remarketing Period shall be conclusive and binding upon the Trustee, the Issuer, the Borrower and the Holders for the purposes of this Indenture.

(e) Remarketing. No later than the 10th day prior to each Mandatory Tender Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the Series B Bonds Outstanding on the Mandatory Tender Date at a price equal to 100% of the principal amount of such Series B Bonds plus accrued interest on such Series B Bonds. No later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period, the Remarketing Agent shall give notice, by telephone or electronic mail, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of Series B Bonds, if any, it has remarketed (including Series B Bonds to be purchased on the Mandatory Tender Date for its own account), the Remarketing Rate and the Remarketing Period applicable to the Series B Bonds.

The Remarketing Agent shall have the right to remarket the Series B Bonds tendered pursuant to Section 3.08 hereof; provided, however, that no Series B Bond shall be remarketed unless all of the Outstanding Series B Bonds are remarketed and all such Series B Bonds shall be remarketed at a price not less than the amount equal to 100% of the principal amount thereof plus accrued interest (if any). The Remarketing Agent shall have the right to purchase any Series B Bond tendered or deemed tendered pursuant to Section 3.08 hereof at the purchase price thereof, and to thereafter sell such Series B Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not knowingly remarket any Series B Bond to the Issuer, the Borrower, any guarantor of the Series B Bonds or any person which is an “insider” of the Issuer, the Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(f) Final Conditions to Remarketing.(A) If, no later than four (4) Business Days prior to a Mandatory Tender Date (i) the Remarketing Agent shall have notified the Trustee in writing of the remarketing of the Outstanding Series B Bonds and that the proceeds from the remarketing (including proceeds of remarketing of Outstanding Series B Bonds to be purchased by the Remarketing Agent on the Mandatory Tender Date for its own account) or other funds equal to the amount needed to purchase the remarketed Series B Bonds on the Mandatory Tender Date are expected to be available to the Trustee on the Mandatory Tender Date for deposit into the Series B Remarketing Proceeds Account; and (ii) the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received written confirmation from the Rating Agency that the then-current rating assigned to the Outstanding Series B Bonds will continue to be effective on the Remarketing Date; and (B) if, no later than two (2) Business Days prior to a

Mandatory Tender Date, there shall be on deposit with the Trustee, from funds provided by or on behalf of the Borrower, any additional amount required to pay the Extension Deposit and the estimated Remarketing Expenses as determined by the Remarketing Agent and certified to the Trustee; then the Trustee shall immediately give notice, by telephone or electronic mail, which notice shall be immediately confirmed in writing, to the Remarketing Agent, the Borrower, the Investor Member and the Special Member that (a) all conditions precedent to the remarketing of the Outstanding Series B Bonds have been satisfied and (b) the sale and settlement of the Outstanding Series B Bonds is expected to occur on the Mandatory Tender Date. Following the Trustee's notice, the Outstanding Series B Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Mandatory Tender Date, and the Trustee shall apply (i) the funds in the Series B Remarketing Proceeds Account on the Remarketing Date to payment of the purchase price of the Outstanding Series B Bonds and (ii) the funds in the Remarketing Expense Account to payment of the Remarketing Expenses.

(g) Remarketing Proceeds. On or before the Business Day next preceding each Remarketing Date, the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of Series B Bonds tendered for purchase on such Mandatory Tender Date. The proceeds from the remarketing of the Series B Bonds shall be deposited into the Series B Remarketing Proceeds Account, segregated from any funds of the Borrower and the Issuer and shall in no case be considered to be or be assets of the Borrower or the Issuer. Funds representing remarketing proceeds received by the Remarketing Agent after 10:00 a.m., New York time, on each Mandatory Tender Date shall be paid to the Trustee as soon as practicable upon such receipt.

(h) Delivery of Remarketed Series B Bonds. No later than the 10th day prior to each Mandatory Tender Date, the Remarketing Agent, by telephonic advice or electronic mail, shall notify the Trustee of (i) the principal amount of Series B Bonds to be sold by the Remarketing Agent pursuant to this Section 3.10 and the purchase price, and, unless the Series B Bonds are then in the book-entry system, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of Series B Bonds tendered for purchase on such Mandatory Tender Date which will not be sold by the Remarketing Agent pursuant to this Section 3.10. Such telephonic advice shall be confirmed by written notice delivered or electronically communicated at the same time as the telephonic advice. Series B Bonds purchased by the Trustee on a Mandatory Tender Date that have been remarketed shall be delivered to the purchasers thereof as directed by the Remarketing Agent. Series B Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 3.11 Extension of the Conversion Date Deadline.

At any time prior to the Conversion Date Deadline, the Borrower may extend the Conversion Date Deadline in connection and commensurate with an extension of the Forward Commitment Maturity Date by (i) providing to the Trustee, the Construction Lender, the Servicer, the Issuer, the Rating Agency and the Remarketing Agent written notice of any extension of the Conversion Date Deadline, including written confirmation from the Servicer that the Forward Commitment Maturity Date is extended in accordance with the provisions of the Forward Commitment, (ii) depositing with the Trustee Eligible Funds for the credit of the Series A Negative

Arbitrage Account any Extension Deposit set forth in a Cash Flow Projection, (iii) delivering to the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit, (iv) delivering to the Trustee confirmation by the Rating Agency of the then-current rating on the Series A Bonds and (v) if the Series B Bonds remain Outstanding, all the conditions to the remarketing of the Series B Bonds for a Remarketing Period extending through such extended Forward Commitment Maturity Date have been satisfied. Extension Deposits may continue to be made by or on behalf of the Borrower until the Conversion Date occurs or the Borrower declines to make an Extension Deposit resulting in a mandatory redemption of the Series A Bonds pursuant to Section 3.01(b)(iv); provided, however, the Conversion Date Deadline may not be extended to a date that is later than six months beyond the original Forward Commitment Maturity Date unless, prior to any extension beyond such date, there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Series A Bonds from gross income for Federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01 Pledge of Revenues and Assets; Establishment of Funds; Initial Deposits.

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses hereof shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any Person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

In addition to the Bond Proceeds Fund established pursuant to Section 2.11 hereof, the Trustee shall establish, maintain and hold in trust the following funds and accounts, each of which is hereby established and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund, and within the Revenue Fund, (i) a General Account, (ii) a Series A General Account, (iii) a Series B General Account, (iv) a Series A Negative Arbitrage Account, (v) a Series B Negative Arbitrage Account, and (vi) a Credit Facility Account;
- (b) Bond Fund, and within the Bond Fund, a Purchased Bonds Account and a Series B Remarketing Proceeds Account;
- (c) Redemption Fund;
- (d) Administration Fund, and within the Administration Fund, a Remarketing Expense Account;

(e) Cost of Issuance Fund;

(f) Credit Facility Reimbursement Fund, and within the Credit Facility Reimbursement Fund, a Credit Facility Principal Reimbursement Account and a Credit Facility Interest Reimbursement Account;

(g) the Collateral Fund, and within the Collateral Fund, (i) a Series A Collateral Account and (ii) a Series B Collateral Account; and

(h) Rebate Fund.

The funds and accounts established pursuant to this Section 4.01 shall be maintained in the corporate trust department of the Trustee as segregated trust accounts, separate and identifiable from all other funds held by the Trustee. The funds and accounts established hereunder shall bear a designation clearly indicating that the funds deposited therein are held for the benefit of (i) the Holders of the Bonds, respecting the Bond Proceeds Fund, the Revenue Fund, the Bond Fund, the Redemption Fund, and the Collateral Fund, (ii) the Credit Facility Provider, respecting the Credit Facility Reimbursement Fund, (iii) the parties indicated in Sections 4.06 and 4.13, respecting the Administration Fund and the Cost of Issuance Fund, and (iv) the Issuer, respecting the Rebate Fund. The Trustee shall, at the written direction of an Authorized Officer of the Issuer, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to a deposit or use of money in the funds established hereunder, or result in commingling of funds not permitted hereunder.

On the Delivery Date, the Trustee shall make the following deposits in addition to the deposits of proceeds of the Bonds pursuant to Section 2.11 hereof:

(a) \$[_____], representing the Costs of Issuance Deposit, shall be deposited into the Costs of Issuance Fund;

(b) \$[_____], representing the Series A Negative Arbitrage Deposit, shall be delivered to the Trustee for deposit into the Series A Negative Arbitrage Account in the Revenue Fund; and

(c) \$[_____], representing the Series B Negative Arbitrage Deposit shall be delivered to the Trustee for deposit into the Series B Negative Arbitrage Account in the Revenue Fund.

(d) \$[_____], representing the Administration Fund Deposit, shall be delivered to the Trustee for deposit into the Administration Fund for payment of the Ordinary Issuer Fees and Expenses and Ordinary Trustee's Fees and Expenses during the Construction Phase.

(e) \$[_____], representing the Initial Collateral Fund Deposit, shall be delivered to the Trustee for deposit to the Series A Collateral Account of the Collateral Fund.

Section 4.02 Bond Proceeds Fund.

(a) Deposit. The Trustee shall deposit the proceeds of the sale of the Bonds into the Series A Bond Proceeds Account and the Series B Bond Proceeds Account as provided in Section 2.11 hereof.

(b) Reserved.

(c) Transfers, Disbursements and Requisitions. The Trustee shall make disbursements from the respective accounts of the Bond Proceeds Fund for the purpose of paying Costs of the Project, subject to the limitations in the Tax Certificate and only upon satisfaction of the requirements set forth in this Section 4.02(c). The Trustee shall have no right or duty to determine whether any requested disbursement from the Bond Proceeds Fund complies with the terms, conditions and provisions of this Indenture or the Financing Agreement.

With respect to any disbursement from the Bond Proceeds Fund, upon the Trustee's receipt of (i) a completed and fully signed Requisition and (ii) Eligible Funds for deposit into the applicable Account of the Collateral Fund as provided in Section 4.17 hereof, and subject to the provisions of this Section 4.02, the Trustee shall disburse proceeds of the Series A Bonds or Series B Bonds, as applicable, in an amount equal to such corresponding deposit made into the applicable Account of the Collateral Fund to fund Costs of the Project pursuant to such Requisition. Prior to making any such disbursement from the applicable Account of the Bond Proceeds Fund, the Trustee shall confirm that, with respect to each of the Series A Bonds and the Series B Bonds, as applicable, the aggregate principal amount that will be held in both (a) the applicable Account of the Collateral Fund and (b) the applicable Account of the Bond Proceeds Fund, after the requested disbursement, and, with respect to the Series B Bond Proceeds Account, any transfer described in the Bond Closing Memorandum, will at least equal the Outstanding principal amount of the Series A Bonds and the Series B Bonds, as applicable.

Notwithstanding anything to the contrary, the Trustee shall not disburse Bond proceeds from the Bond Proceeds Fund (other than (i) as permitted pursuant to the Bond Closing Memorandum and (ii) to pay amounts due on the Bonds in connection with a redemption pursuant to Article III hereof), unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the applicable Account of the Collateral Fund; provided, however, that the Trustee shall transfer funds from the applicable Account of the Bond Proceeds Fund to the applicable Account of the Collateral Fund upon receipt of an opinion of Bond Counsel to the effect that such transfer shall not cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes. To the extent money on deposit in the applicable Account of the Bond Proceeds Fund is invested in Qualified Investments that have not yet matured, the Trustee is hereby authorized to make the following sale and exchange, which sale and exchange shall occur prior to the disbursement of amounts on deposit in the applicable Account of the Bond Proceeds Fund to pay Costs of the Project without the need to sell or terminate such Qualified Investments prior to their stated maturity date: (i) sell all or a portion of the Qualified Investments in the applicable Account of the Bond Proceeds Fund, in the amount specified in the request for disbursement, to the applicable Account of the Collateral Fund for a price of par and (ii) transfer a like amount of available funds from the applicable Account of the Collateral Fund to the applicable Account of the Bond Proceeds

Fund representing proceeds of the Series A Bonds or Series B Bonds, as applicable, as the purchase price thereof.

Upon the satisfaction of the provisions set forth in this Section, the Trustee shall be irrevocably and unconditionally obligated to disburse Bond proceeds from the applicable Account of the Bond Proceeds Fund equal to the amount deposited to the applicable Account of the Collateral Fund, as set forth in the corresponding requisition, and to the extent the Trustee is unable to do so, the Trustee shall return the amount deposited into the applicable Account of the Collateral Fund, within one Business Day of receipt of such deposit, to the Eligible Funds Provider that made such deposit in connection with the applicable Requisition.

(d) Upon final disbursement of all amounts on deposit in the Bond Proceeds Fund, including all interest accrued therein, the Trustee shall close the Bond Proceeds Fund.

(e) Amounts on deposit in the Bond Proceeds Fund shall be invested as provided in Section 4.08 hereof. All Investment Income on amounts on deposit in the Series A Negative Arbitrage Account, the Series A Collateral Account and the Series A Bond Proceeds Account shall be transferred to and become a part of the amounts on deposit in the Series A General Account in the Revenue Fund. All Investment Income on amounts on deposit in the Series B Bond Proceeds Account shall be transferred to and become a part of the amounts on deposit in the Series B Negative Arbitrage Account in the Revenue Fund.

Section 4.03 Application of Revenue Fund.

(a) All Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the General Account, except (i) with respect to amounts required to be deposited in the Series A General Account or the Series B General Account as provided in this Article IV, shall be deposited the Series A General Account or the Series B General Account, as applicable, (ii) amounts paid pursuant to the Credit Facility, which shall be deposited in the Credit Facility Account; (iii) as otherwise specifically provided in subsection (d) of this Section 4.04 with respect to certain deposits into the Redemption Fund; (iv) with respect to Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and (v) with respect to amounts required to be transferred between funds and accounts as provided in this Article IV.

(b) On and prior to the Conversion Date, the Trustee shall charge the Series A General Account and the Series B General Account, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date and shall cause the same to be credited to the Bond Fund and applied to the payment of such interest and principal when due on the Bonds as follows:

(i) to the extent funds in the Series A General Account are not sufficient to cover amounts due on the Series A Bonds, the Trustee shall transfer to the Series A General Account, funds from the following accounts and in the following order: the Series A Negative Arbitrage Account, the Series A Collateral Account, and the Series A Bond Proceeds Account. All Investment Income on amounts on deposit in the Series A General Account shall remain therein; and

(ii) to the extent funds in the Series B General Account are not sufficient to cover amounts due on the Series B Bonds, the Trustee shall transfer funds to the Series B General Account, funds from the following accounts and in the following order: the Series B Negative Arbitrage Account, the Series B Collateral Account, and the Series B Bond Proceeds Account. All Investment Income on amounts on deposit in the Series B General Account shall remain therein.

The Trustee shall deposit amounts set forth in Section 4.01 into the Series A Negative Arbitrage Account. In addition, the Trustee shall deposit any Eligible Funds made available for deposit into the Series A Negative Arbitrage Account from any other source including any Extension Deposit. The Trustee shall transfer funds in the Series A Negative Arbitrage Account to the Series A General Account as permitted in this Section 4.03(b)(i). On the Conversion Date, any remaining funds on deposit in the Series A Negative Arbitrage Account shall be disbursed to the Borrower.

The Trustee shall deposit amounts set forth in Section 4.01 into the Series B Negative Arbitrage Account. In addition, the Trustee shall deposit any Eligible Funds made available for deposit into the Series B Negative Arbitrage Account from any other source including any Extension Deposit. The Trustee shall transfer funds in the Series B Negative Arbitrage Account to the Series B General Account as permitted in this Section 4.03(b)(ii). Following the redemption of the Series B Bonds in full, any remaining funds on deposit in the Series B Negative Arbitrage Account shall be disbursed to the Borrower as provided in Section 4.11. All Investment Income on amounts on deposit in the Series B Negative Arbitrage Account shall be transferred to and become a part of the amounts on deposit in the Series B General Account.

(c) On and after the Conversion Date, on each Interest Payment Date or any other date on which payment of principal of or interest on the Series A Bonds becomes due and payable, the Trustee, out of money in the Credit Facility Account and the General Account, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Bond Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal of and interest due on the Series A Bonds on such date (excluding principal of and interest on any Purchased Bonds and excluding the principal constituting a mandatory sinking fund payment on any Series A Bonds on such date); and

SECOND: to the Redemption Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal amount due and payable on the Series A Bonds with respect to mandatory sinking fund redemption (excluding principal of any Purchased Bonds) on such date; and

THIRD: to the Redemption Fund from money in the Credit Facility Account of the Revenue Fund (i) amounts paid to the Trustee under the Credit Facility to be applied to the mandatory redemption of all or a portion of the Series A Bonds pursuant to Section 3.01(b) hereof (other than a mandatory sinking fund redemption) and (ii) amounts

paid to the Trustee under the Credit Facility to be applied to the optional redemption of all or a portion of the Series A Bonds pursuant to Sections 3.01(a) hereof; and

FOURTH: to the Series A Purchased Bonds Account from money in the Bond Fund, such amount as the Credit Facility Provider shall advise the Trustee is equal to the interest due on the Purchased Bonds on such date.

(d) On and after the Conversion Date, promptly upon receipt, the Trustee shall deposit directly to the Credit Facility Reimbursement Fund (i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Loan, such amount to be applied to reimburse the Credit Facility Provider for a draw under the Credit Facility in such amount to provide for extraordinary mandatory redemption of all or a portion of the Series A Bonds pursuant to Section 3.01(b)(i) hereof; (ii) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the optional redemption of all or a portion of the Series A Bonds pursuant to Sections 3.01(a) hereof; and (iii) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the payment of any redemption premium in connection with an optional redemption of all or a portion of the Series A Bonds pursuant to Section 3.01(a) hereof.

(e) On and after the Conversion Date, should the amount in the Revenue Fund be insufficient to pay the amount due on the Series A Bonds on any given Interest Payment Date or other payment date after the transfers from the Credit Facility Account, the Trustee shall credit to the Revenue Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (1) the General Account; and (2) the Redemption Fund, except no such charge to the Redemption Fund shall be made from money to be used to effect a redemption for which notice of redemption has been provided for or from money which is held for payment of Series A Bonds which are no longer Outstanding hereunder.

(f) On and after the Conversion Date, at the written direction of the Borrower, and with the written consent of the Credit Facility Provider, together with a certificate setting forth that no default exists under the Bond Loan Documents signed by the Servicer, Investment Income deposited into the General Account shall be paid to the Borrower semi-annually on the first Business Day after each Interest Payment Date, commencing with the first Interest Payment Date after the Conversion Date, so long as (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund or any Custodial Escrow Account, (ii) no default exists under the Bond Loan and (iii) no event of default exists under any of the Bond Loan Documents.

Section 4.04 Application of Bond Fund. The Trustee shall charge the Bond Fund, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date, and shall cause the same to be applied to the payment of such interest and principal when due (excluding, after the Conversion Date, principal on any Purchased Bond). After the Conversion Date, any money remaining in the Bond Fund on any Interest Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Redemption Fund to redeem Bonds called for mandatory sinking fund redemption on such Interest Payment Date, be transferred to the Redemption Fund to be applied for such purpose. After the Conversion Date, any balance remaining in the Bond Fund on the

Business Day immediately succeeding an Interest Payment Date shall be transferred to the Servicer for payment to the Credit Facility Provider to be applied in accordance with the Reimbursement Agreement.

Any Investment Income on amounts on deposit in the Bond Fund shall be deposited by the Trustee upon receipt thereof prior to the Conversion Date, in the Series A General Account in the Revenue Fund and, following the Conversion Date, in the General Account of the Revenue Fund.

The Trustee shall deposit and disburse amounts in the Series B Remarketing Proceeds Account as set forth in Sections 3.01, 3.08 and 3.10.

No amount shall be charged against the Bond Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.05 Application of Redemption Fund.

On and after the Conversion Date, any money credited to the Redemption Fund shall be applied as set forth in Sections 4.03(c) and (d) hereof; provided, however, that to the extent any money credited to the Redemption Fund from Eligible Funds (other than draws under the Credit Facility) is in excess of the amount necessary to effect the redemptions referred to in Sections 4.03(c) and (d) hereof it shall be applied to make up any deficiency in the Revenue Fund on any Interest Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Series A General Account is insufficient to make up such deficiency, provided that no money to be used to effect a redemption for which a conditional notice of redemption, the conditions of which have been satisfied, or an unconditional notice of redemption has been provided or money which is held for payment of Series A Bonds which are no longer Outstanding hereunder shall be so transferred to the Bond Fund.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Redemption Fund shall be credited by the Trustee to the General Account in the Revenue Fund.

No amount shall be charged against the Redemption Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.06 Administration Fund.

The Trustee shall deposit into the Administration Fund, promptly upon receipt thereof, the Administration Fund Deposit, and all other amounts received from the Servicer or the Borrower designated for deposit into such fund. The Trustee shall also deposit into the Remarketing Expense Account of the Administration Fund promptly upon receipt the amount of the Remarketing Expenses associated with any remarketing of the Series B Bonds. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Trustee and used **FIRST**, to pay to the Trustee when due the Ordinary Trustee's Fees and Expenses; **SECOND**, to pay to the Issuer when due the Ordinary Issuer Fees and Expenses; **THIRD**, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under this Indenture and the Financing Agreement, upon receipt of an invoice from the Rebate Analyst; **FOURTH**, to deposit to any Custodial Escrow Account any deficiency in the

amount held therein as certified in writing by the Servicer (or subsequent holder of such an account) to the Trustee; **FIFTH**, to pay to the Trustee any Extraordinary Trustee's Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and Freddie Mac; **SIXTH**, to pay to the Issuer when due any Extraordinary Issuer Fees and Expenses; **SEVENTH**, to pay to the Credit Facility Provider any unpaid portion of the amounts due under the Reimbursement Agreement, as certified in writing by the Credit Facility Provider to the Trustee; **EIGHTH**, to pay to the Servicer any unpaid portion of the Ordinary Servicing Fees and Expenses and any Extraordinary Servicing Fees and Expenses due and owing from time to time, as set forth in an invoice submitted to the Trustee and Freddie Mac; **NINTH**, to make up any deficiency in the Redemption Fund on any redemption date of Series A Bonds, to the extent money then available in accordance with Section 4.03(d) hereof in the Redemption Fund is insufficient to redeem Series A Bonds called for redemption on such redemption date; **TENTH**, to pay to the Dissemination Agent when due the Dissemination Agent's Fee; **ELEVENTH**, to pay to the Rating Agency when due the annual rating maintenance fee, if any, as set forth in an invoice submitted to the Trustee; and **TWELFTH**, to transfer any remaining balance after application as aforesaid, prior to the Conversion Date, to the Series A General Account in the Revenue Fund and, following the Conversion Date, to the General Account of the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Trustee of the amount of such deficiency. Upon payment by the Borrower of such deficiency, the amounts for which such deficiency was requested shall be paid by the Trustee.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Trustee, prior to the Conversion Date, to the Series A General Account in the Revenue Fund and, following the Conversion Date, to the General Account of the Revenue Fund.

Amounts in the Remarketing Expense Account of the Administration Fund shall be applied by the Trustee in accordance with Section 3.10 hereof.

No amount shall be charged against the Administration Fund except as expressly provided in this Article IV and Section 6.05 hereof.

Section 4.07 Credit Facility Reimbursement Fund.

(a) On the Conversion Date, unless the Conversion Date occurs on an Interest Payment Date, the Trustee shall transfer from the Series A Collateral Account and deposit into the Credit Facility Interest Reimbursement Account, the interest accrued on the Series A Bonds from the Interest Payment Date immediately preceding the Conversion Date through, but not including, the Conversion Date, and after the Conversion Date, the Trustee shall deposit into the Credit Facility Interest Reimbursement Account, promptly upon receipt thereof, all amounts received from the Servicer, including, but not limited to, scheduled monthly interest collections pursuant to Section 3.3(a) of the Reimbursement Agreement, designated for deposit into such account. Amounts on deposit in the Credit Facility Interest Reimbursement Account shall be applied by the Trustee to

reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay interest on the Series A Bonds. On each Interest Payment Date following the Conversion Date, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington, D.C. time, from and to the extent of amounts on deposit in the Credit Facility Interest Reimbursement Account, an amount equal to the amount drawn by the Trustee under the Credit Facility to pay interest on the Series A Bonds on such date.

(b) Following the Conversion Date, the Trustee shall deposit into the Credit Facility Principal Reimbursement Account, promptly upon receipt thereof, all amounts received from the Servicer designated for deposit into such account, including, but not limited to, scheduled monthly principal deposits pursuant to Section 3.3(h) of the Reimbursement Agreement. Amounts on deposit in the Credit Facility Principal Reimbursement Account shall be applied by the Trustee to reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay principal on the Series A Bonds. On each maturity date for the Series A Bonds and each date the Series A Bonds are subject to optional or mandatory redemption, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington, D.C. time, from and to the extent of amounts on deposit in the Credit Facility Principal Reimbursement Account, an amount equal to the principal amount drawn by the Trustee under the Credit Facility to pay or redeem Series A Bonds in Authorized Denominations on such date.

(c) On and after the Conversion Date, in the event that the amounts on deposit in the respective accounts in the Credit Facility Reimbursement Fund are insufficient to reimburse the Credit Facility Provider (as provided in subsection (a) or (b) of this Section 4.07) the full amount to be drawn under the Credit Facility to pay interest or principal on the Series A Bonds, as applicable, the Trustee shall promptly give notice to the Credit Facility Provider, the Servicer and the Borrower of such deficiency and of the amount of such deficiency.

(d) All Investment Income on amounts on deposit in the Credit Facility Reimbursement Fund shall be retained in and credited to and become a part of the amounts on deposit in the respective accounts in such fund. Provided that (as confirmed by the Trustee with the Servicer or the Credit Facility Provider) (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund, or any Custodial Escrow Account, (ii) no event of default exists under the Bond Loan, (iii) no Event of Default exists hereunder or under any of the other Borrower Documents (as defined in the Reimbursement Agreement), and (iv) the Credit Facility Provider has been fully reimbursed for amounts drawn on the Credit Facility, the Trustee, without the need for any further direction, shall pay such Investment Income to the Borrower on the Interest Payment Date next succeeding receipt thereof (after making all payments specified in this Section 4.07).

(e) At the written direction of the Credit Facility Provider, the amounts on deposit in the Credit Facility Reimbursement Fund shall be used by the Trustee to pay any amounts required to be paid by the Borrower under any Bond Loan Document, to pay any amounts owed to the Credit Facility Provider in connection with any loan purchased by the Credit Facility Provider and secured by the Project, or to pay any other amount agreed to in writing by the Borrower and the Credit Facility Provider; provided that the amounts on deposit in the Credit Facility Reimbursement Fund shall, upon the occurrence of an event of default under any Bond Loan Document, be used in any manner and for any purpose specified by the Credit Facility Provider.

(f) At the written request of the Borrower, the Credit Facility Provider, in its sole and absolute discretion, may (i) consent to the release of all or a portion of the amounts on deposit in the Credit Facility Reimbursement Fund to the Borrower (in which case the Trustee shall release such amounts to the Borrower, provided that if, in the judgment of the Rebate Analyst, the amount on deposit in the Rebate Fund at such time is less than the amount required under Section 4.12 hereof to be rebated to the United States Department of the Treasury, then prior to any such release to the Borrower, any amounts on deposit in the Credit Facility Reimbursement Fund (up to the amount of such deficiency) shall be transferred to the Rebate Fund) and/or (ii) reduce or no longer require deposits to the Credit Facility Reimbursement Fund.

(g) Any amounts remaining in the Credit Facility Reimbursement Fund after payment in full of the principal of and interest on the Series A Bonds and reimbursement of the Credit Facility Provider for all amounts drawn under the Credit Facility shall be applied as provided in Section 4.11 hereof.

Section 4.08 Investment of Funds. The money held by the Trustee shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by the Trustee, at the written direction of the Borrower (or, in the case of the Rebate Fund, subject to Section 4.12 and Section 5.07(b)), in Qualified Investments that (subject to the provisions in this Section 4.08) mature or shall be subject to redemption or withdrawal at par without penalty on or prior to the date such money is needed; provided, that all amounts on deposit in the Credit Facility Reimbursement Fund and the Credit Facility Account in the Revenue Fund shall be held uninvested or shall be invested only in Government Obligations or in Qualified Investments of the type described in subparagraph (g) of the definition thereof which, in any case, shall mature or be subject to redemption or withdrawal at par without penalty on or prior to the earlier of (i) 30 days from the date of investment and (ii) the date such money is required to be applied pursuant to the provisions of this Indenture. In the absence of written direction from the Borrower, the Trustee shall invest amounts on deposit in the funds and accounts established under this Indenture in Government Obligations or in investments of the type described in subparagraph (g) of the definition of Qualified Investments which shall have the same maturity and other restrictions as set forth above. Such investments may be made through the investment or securities department of the Trustee. The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized. The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in other Sections hereof, the interest thereon and any profit arising on the sale thereof shall be credited to the Series A General Account, prior to the Conversion Date, and to the General Account, following the Conversion Date, and any loss resulting on the sale thereof shall be charged against the applicable account. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an

investment of money in that fund or account. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

Notwithstanding anything else contained in this Section 4.08, with respect to the Series A Bonds, prior to the Conversion Date, at the direction of the Borrower, the Trustee is permitted to invest in Qualified Investments that mature on or before the Conversion Date Deadline but is not permitted to sell or otherwise dispose of such Qualified Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection. Notwithstanding anything else contained in this Section 4.08, with respect to the Series B Bonds, prior to the Initial Mandatory Tender Date, at the direction of the Borrower, the Trustee is permitted to invest in Qualified Investments that mature on or before the Initial Mandatory Tender Date but is not permitted to sell or otherwise dispose of such Qualified Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection.

Following the Delivery Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Qualified Investments with a Cash Flow Projection. Notwithstanding anything herein to the contrary, (i) earnings received by the Trustee with respect to Qualified Investments purchased for the purpose of paying debt service on the Bonds shall be held uninvested and (ii) Bond proceeds and the Negative Arbitrage Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Qualified Investments. Following the Conversion Date, the delivery of a Cash Flow Projection shall not be a requirement to the purchase, sale or exchange of a Qualified Investment.

The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Issuer specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Section 4.09 Money Held for Particular Bonds; Funds Held in Trust. The amounts held by the Trustee for the payment of the interest, principal or redemption price due on any date with respect to particular Bonds pending such payment, shall be set aside and held in trust by it for the Holders of the Bonds entitled thereto, and for the purposes hereof such interest, principal or redemption price, after the due date thereof, shall no longer be considered to be unpaid.

All money held by the Trustee for such purpose at any time pursuant to the terms of this Indenture shall be and hereby is assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 4.10 Accounting Records. The Trustee shall maintain accurate books and records for all funds and accounts established hereunder and provide monthly statements (or other electronic access as agreed to by the parties) of such funds and accounts to the Issuer, the Borrower and the Servicer.

Section 4.11 Amounts Remaining in Funds. Following the Conversion Date and the full payment of the Series A Bonds (or provision for payment thereof having been made in accordance with Section 9.01 hereof) and full payment of the fees, charges and expenses of the Issuer and the Trustee and other amounts required to be paid hereunder or under any Bond Loan Document, including, but not limited to, the Credit Facility and the Reimbursement Agreement, any amounts remaining in any fund or account hereunder other than the Rebate Fund shall be paid to the Borrower; provided however, that if an event of default (after expiration of any notice and cure period, if applicable) shall have occurred and remain uncured under any Bond Loan Document of which the Trustee shall have received written notice from the Credit Facility Provider or the Servicer, then any such amounts remaining in any fund or account hereunder shall be paid to the Credit Facility Provider in accordance with the Reimbursement Agreement.

Following the full payment of the Series B Bonds, any amounts remaining in the Series A General Account, the Series A Negative Arbitrage Account, the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund and in the Collateral Fund shall be released to the Borrower.

Section 4.12 Rebate Fund; Compliance with Tax Certificate. The Rebate Fund shall be established, when needed, by the Trustee and held and applied as provided in this Section 4.12. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the rebate requirement (as set forth in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the government of the United States of America, and none of the Issuer, the Borrower, the Credit Facility Provider or the Bondholders shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.12 and by the Tax Certificate. The Trustee shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Issuer, Bond Counsel or the Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax Certificate, and shall not be required to take any actions under the Tax Certificate in the absence of written instructions from the Issuer, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Bond Year, the Borrower shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Bond Year as a (computation) date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “Rebatable Arbitrage”). Pursuant to Section 2.4 of the Financing Agreement, the Borrower shall cause the Rebate Analyst to provide such calculations to the Trustee and the Issuer. In the event that the Borrower fails to provide such information to the Trustee and the Issuer within 55 days of the end of each fifth Bond Year, the Trustee, at the expense of the Borrower, shall select the Rebate Analyst, with the prior written approval of the Issuer, and shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage as required herein.

Within 55 days of the end of each fifth Bond Year, upon the written direction of the Issuer, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Trustee from amounts provided by the Borrower, if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

The Trustee shall pay, as directed by the Issuer, Bond Counsel or the Rebate Analyst, to the United States Department of the Treasury, out of amounts in the Rebate Fund:

(i) Not later than 60 days after the end of (A) the fifth Bond Year, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(ii) Not later than 60 days after the payment of all the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other address provided in such direction), on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be prepared by the Rebate Analyst and provided to the Trustee.

Notwithstanding any provision of this Indenture to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States of America and to comply with all other requirements of Sections 2.4 and 4.3 of the Financing Agreement and this Section 4.12, and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebate requirement (as set forth in the Tax Certificate), or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Borrower.

The Trustee shall obtain and keep such records of the computations made pursuant to this Section 4.12 as are required under Section 148(f) of the Code to the extent furnished to the Trustee. The Borrower shall or shall cause the Rebate Analyst to provide to the Issuer and the Trustee copies of all rebate computations made pursuant to this Section 4.12. The Trustee shall keep and make available to the Borrower such records concerning the investments of the gross proceeds of the Bonds and the investments of earnings from those investments made by the Trustee as may be requested by the Borrower in order to enable the Borrower to cause the Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage need not be made to the extent that neither the Issuer nor the Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on an opinion of Bond Counsel, to the effect that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, a copy of which shall be provided to the Trustee, at the expense of the Borrower.

Section 4.13 Cost of Issuance Fund. The Trustee shall use money on deposit to the credit of the Cost of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter in accordance with Requisitions in the form attached hereto as Exhibit B signed by the Borrower or written instructions to be given to the Trustee by the Borrower, as set forth in the Bond Closing Memorandum (and accepted and agreed to by the Borrower) on the Delivery Date, upon delivery to the Trustee of appropriate invoices for such expenses; provided that Costs of Issuance may also be disbursed by the title company in accordance with the Bond Closing Memorandum on the Delivery Date from deposits made with the title company by the Borrower. Amounts in the Cost of Issuance Fund funded with proceeds of the Bonds, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Cost of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Cost of Issuance Fund (excluding Bond proceeds) six (6) months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Trustee shall close the Cost of Issuance Fund.

Section 4.14 Reports From the Trustee. Following the Conversion Date, the Trustee shall, on or before the fifteenth (15th) day of each month, file with the Multifamily Loan Servicing Department of the Credit Facility Provider, the Issuer, and the Borrower a statement setting forth in respect of the preceding calendar month:

- (i) the amount withdrawn or transferred by it, and the amount deposited within or on account of each fund and account held by it under the provisions of this Indenture, including the amount of Investment Income on each fund and account;
- (ii) the amount on deposit with it at the end of such month to the credit of each fund and account;
- (iii) a brief description of all obligations held by it as an investment of money in each such fund and account; and
- (iv) any other information which the Credit Facility Provider or the Issuer may reasonably request and to which the Trustee has access in the ordinary course of its operations.

At all times, upon the written request of any Bondholder or the Rating Agency, the Trustee, at the cost of the Borrower, shall provide a copy of such statement to such Bondholder or the Rating Agency, as applicable. All records and files pertaining to the Trust Estate shall be open at all reasonable times to the inspection of the Issuer and the Credit Facility Provider (but only following the Conversion Date) and their agents and representatives upon reasonable prior notice during normal business hours.

Section 4.15 Payments Under Bond Loan Following Conversion Date. The Trustee and the Issuer hereby expressly acknowledge that, following the Conversion Date, references in this Indenture to payments or prepayments of the Bond Loan shall, for all purposes of this Indenture, refer solely to such portion of such payments or prepayments actually paid by the Credit Facility Provider to the Trustee as Guaranteed Payments pursuant to the Credit Facility for which the Borrower has correspondingly reimbursed the Credit Facility Provider in an amount equal to

the Guaranteed Payments. Without in any way limiting the foregoing, the Trustee and the Issuer hereby acknowledge that, pursuant to the Guide, following the Conversion Date, the Servicer will pay the Freddie Mac Credit Enhancement Fee and the Ordinary Servicing Fees and Expenses from payments under the Bond Loan made by the Borrower prior to remitting the balance of such payments or prepayments to the Trustee for application as provided in this Indenture.

Section 4.16 Collateral Fund.

Prior to the release of any amounts in the Bond Proceeds Fund, the Trustee shall deposit into the applicable Account of the Collateral Fund, all Eligible Funds received pursuant to Section 4.02 designated for deposit into the applicable Account of the Collateral Fund and any other Eligible Funds received by the Trustee for deposit into the applicable Account of the Collateral Fund. Except (i) as described in the Bond Closing Memorandum and permitted under Section 4.01 hereof, the Borrower is required to cause Eligible Funds to be paid to the Trustee for deposit into the applicable Account of the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the corresponding amount from the applicable Bond Proceeds Fund to be disbursed by the Trustee to pay Costs of the Project.

Subject to the provisions hereof, (i) each deposit into the Series A Collateral Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series A Bonds, and (ii) each deposit into the Series B Collateral Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series B Bonds.

With respect to the Series A Bonds, prior to the Conversion Date, money in the Series A Collateral Account shall be transferred by the Trustee (to the extent money is not otherwise available) to the Series A General Account in the Revenue Fund as provided in Section 4.03(b)(i), in an amount, together with other available funds, necessary to pay amounts due on the Series A Bonds, including any applicable redemption pursuant to Article III hereof. On the Conversion Date, unless the Conversion Date occurs on an Interest Payment Date, the Trustee shall transfer from the Series A Collateral Account and deposit into the Credit Facility Interest Reimbursement Account, the interest accrued on the Series A Bonds from the Interest Payment Date immediately preceding the Conversion Date through, but not including, the Conversion Date. With respect to the Series A Bonds, on the Conversion Date, upon delivery of the Credit Facility and after making the transfer required to the Credit Facility Interest Reimbursement Account, the Trustee is authorized to release an amount from the Series A Collateral Account as set forth in Section 4.19.

With respect to the Series B Bonds, money in the Series B Collateral Account shall be transferred by the Trustee (to the extent money is not otherwise available) to the Series B General Account in the Revenue Fund as provided in Section 4.03(b)(ii), in an amount, together with other available funds, necessary to pay amounts due on the Series B Bonds including any applicable redemption pursuant to Article III hereof.

Prior to the Conversion Date, the Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the applicable account of the Collateral Fund is transferred to the applicable account of the Revenue Fund and applied to the payment of the principal of any of the Bonds, or the principal component of the redemption price of any of the Bonds, all as provided in this Indenture.

Notwithstanding anything herein to the contrary, on the Delivery Date, the Trustee is authorized to transfer amounts described in the Bond Closing Memorandum, if any, without a corresponding deposit of Eligible Funds into the Collateral Fund.

Section 4.17 Draws Under Credit Facility. Following the Conversion Date, the Credit Facility shall be held by the Trustee and drawn upon in accordance with its terms and the provisions of this Indenture. Money derived from draws upon the Credit Facility shall be deposited in the Credit Facility Account and applied by the Trustee to pay the principal of and interest on the Series A Bonds, and, in the event of a purchase of the Series A Bonds in lieu of redemption pursuant to Section 3.06 hereof, to pay, to the extent provided in the Credit Facility, the Purchase Price of the Series A Bonds in accordance with this Indenture.

Following the Conversion Date, the Trustee shall draw money under the Credit Facility in accordance with the terms thereof when needed and in amounts sufficient to make timely payments of the principal of and interest, but not premium, on the Series A Bonds when due and payable (i.e., on any Interest Payment Date or any Settlement Date).

Should the Credit Facility Provider become the owner of the Project by foreclosure or otherwise, the Trustee shall nevertheless continue to make payments on the Series A Bonds only from draws on the Credit Facility or from other Eligible Funds.

The Trustee shall send to the Borrower via Electronic Notice a copy of any documents which are presented to the Credit Facility Provider in connection with a drawing on the Credit Facility concurrently with its submission of those documents to the Credit Facility Provider, if requested to do so by the Borrower.

Section 4.18 Notices Under Credit Facility. The Trustee hereby agrees to provide to the Credit Facility Provider all such notices, including any notice of failure to receive a payment, as shall be required under the Credit Facility in the manner and within the periods of time provided therein and the Trustee and the Issuer hereby acknowledge that certain notices constitute a condition precedent to payment by the Credit Facility Provider under the Credit Facility.

Section 4.19 Application of Funds on the Conversion Date. On the Conversion Date, after any partial redemption of the Series A Bonds pursuant to Section 3.01(b)(v) and upon delivery of the Credit Facility and after making the deposit required by Section 4.16 to the Credit Facility Interest Reimbursement Account, the Trustee is authorized to release and transfer to the Construction Lender, as repayment of a portion of the Construction Loan, remaining amounts on deposit in the Series A Collateral Account, as set forth in a written direction of the Borrower.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal and Interest. Each and every covenant made in this Indenture, including all covenants made in the several sections of this Article, is predicated upon the condition that the Bonds are special limited obligations of the Issuer payable solely from and secured by the Trust Estate pledged therefor. Nothing in the Bonds or in this Indenture shall be construed as pledging any other funds or assets of the Issuer.

The Issuer covenants that it will promptly cause the Trustee to pay, as provided herein, the principal of and interest on the Bonds when due solely from the Trust Estate at the place, on the date and in the manner provided herein and in the Bonds.

Section 5.02 Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all of its covenants and undertakings contained in this Indenture, and in any and every Bond executed, authenticated and delivered hereunder; subject, however to the limitations set forth in Section 2.03. The Issuer represents that it is duly authorized under the laws of the State to issue the Bonds, to enter into this Indenture and the Financing Agreement and to assign the Revenues, and that upon issuance, authentication, and delivery, the Bonds are and will be valid and enforceable special limited obligations of the Issuer according to the import thereof.

Section 5.03 Instruments of Further Assurance. At the sole cost and expense of the Borrower, the Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered by the parties within its control, such indentures supplemental hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section 5.03. The Issuer covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Trust Estate or the revenues or receipts therefrom.

The Issuer will promptly notify the Trustee and, so long as Freddie Mac is the Credit Facility Provider, the Servicer in writing of the occurrence of any of the following:

- (i) the submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against the Issuer with respect to the Bonds;
- (ii) Reserved;
- (iii) the occurrence of any default or Event of Default of which the Issuer has actual knowledge;
- (iv) the commencement of any proceedings or any proceedings instituted by or against the Issuer in any federal, state or local court or before any governmental body or agency, or before any arbitration board, relating to the Bonds; or
- (v) the commencement of any proceedings by or against the Issuer under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in

which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Issuer or any of its assets relating to the Bonds.

Section 5.04 Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior notice, during normal business hours, be open to inspection and copying by such accountants or other agents as the Trustee or the Credit Facility Provider may from time to time reasonably designate.

Section 5.05 No Modification of Security; Additional Indebtedness. The Issuer covenants that it will not, without the written consent of the Trustee and the Credit Facility Provider, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which the Issuer is a party, or which has been assigned to the Issuer, and which relates to or affects the security for the Bonds or, following the Conversion Date, the payment of any amount owed to the Credit Facility Provider. The Issuer further covenants not to create any lien upon the Trust Estate or any part thereof other than the lien created hereby and, following the Conversion Date, by the Bond Mortgage and the Reimbursement Mortgage without the prior written consent of the Credit Facility Provider.

Section 5.06 Damage, Destruction or Condemnation. Subject to the provisions of the Intercreditor Agreement, Net Proceeds resulting from casualty to or condemnation of the Project shall be applied as provided in the Bond Loan Documents and, to the extent consistent therewith, Section 3.01(b)(i) hereof.

Section 5.07 Tax Covenants. The Issuer and the Trustee each agrees that it will not (a) take any action, (b) fail to take any action, or (c) make any use of the Project or the proceeds of the Bonds, which it knows would cause the interest on any of the Bonds to be or become included in the gross income of the owners thereof for federal income tax purposes (except for minimum or preference tax purposes or other indirect taxation). In connection with the foregoing, the Issuer and the Trustee may conclusively rely upon the advice of Bond Counsel.

The Trustee agrees that it will invest funds held under this Indenture in accordance with the covenants and terms of this Indenture and the Tax Certificate (this covenant shall extend through the term of the Bonds, to all funds and accounts created under this Indenture and all money on deposit to the credit of any such fund or account). The Trustee covenants to and for the benefit of the Bondholders that, notwithstanding any other provisions of this Indenture or of any other Bond Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Bonds to be classified as “arbitrage bonds” within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Bonds to be includable in gross income for federal income tax purposes; provided that the Trustee shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Issuer, the Credit Facility Provider, Bond Counsel or the Rebate Analyst. This covenant shall extend, throughout the term of the Bonds, to all funds created under this Indenture and all money on deposit to the credit of any such fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Indenture, the Trustee obligates itself to comply throughout the term of the issue of the Bonds with the requirements of Sections 103(b) and 148 of the Code;

provided that the Trustee shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Issuer, Bond Counsel or the Rebate Analyst. The Trustee further covenants that should the Issuer or the Borrower file with the Trustee (it being understood that neither the Issuer nor the Borrower has an obligation to so file), or should the Trustee receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become "arbitrage bonds," then the Trustee will comply with any written instructions of the Issuer, the Borrower, the Credit Facility Provider or Bond Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Bonds from becoming "arbitrage bonds," and the Trustee will bear no liability to the Issuer, the Borrower, the Bondholders or the Credit Facility Provider for investments made in accordance with such instructions.

Section 5.08 Representations of the Issuer. The Issuer represents that it is duly authorized under the laws of the State to issue the Bonds, to enter into this Indenture and the Financing Agreement and to assign the Revenues, and that, upon issuance, authentication and delivery, the Bonds are and will be valid and enforceable special limited obligations of the Issuer according to the import thereof.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 6.01 Events of Default. Each of the following shall be an event of default with respect to the Bonds (an “Event of Default”) under this Indenture:

(a) failure to pay the principal of, premium, if any, or interest on any Bond (other than Purchased Bonds) when due, whether on an Interest Payment Date, at the stated maturity thereof, by proceedings for redemption thereof, by acceleration or otherwise; or

(b) following the Conversion Date, failure by the Credit Facility Provider to make when due a required payment under the Credit Facility; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Issuer (other than those set forth in Section 5.01 hereof) set forth in this Indenture or in the Bonds and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified herein for particular defaults) after written notice thereof (which notice shall be effective only with the written consent of the Credit Facility Provider (following the Conversion Date) if no Event of Default has occurred and is then continuing under Section 6.01(b) hereof) to the Issuer from the Trustee or the Holders of more than 51% of the aggregate principal amount of the applicable Bonds then Outstanding at such time specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Issuer commences the required cure within such thirty (30) day period and continues the cure with diligence and the Issuer reasonably anticipates that the default could be cured within ninety (90) days, the Issuer shall have ninety (90) days following receipt of such notice to effect the cure.

The Trustee and the Issuer agree that, notwithstanding the provisions hereof, no default under the terms of this Indenture shall be construed as resulting in a default under the Bond Note, the Bond Mortgage or any other Bond Loan Document, unless such event also constitutes an event of default thereunder.

The Trustee will immediately notify the Issuer, Borrower, the Investor Member, the Special Member, the Servicer and the Credit Facility Provider after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

Section 6.02 Acceleration; Other Remedies Upon Event of Default.

Upon the occurrence of an Event of Default under Section 6.01(b) hereof, the Trustee shall, upon the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding and receipt of indemnity satisfactory to it, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

Upon the occurrence of an Event of Default (other than an Event of Default under Section 6.01(b) hereof), the Trustee may, or prior to Conversion shall at the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding, or following the Conversion Date shall but only upon receipt from the Credit Facility Provider of a notice directing such acceleration (which notice may be given in the sole discretion of the Credit Facility Provider), by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and, following the Conversion Date, upon the Credit Facility Provider's having honored a properly presented and conforming draw under the Credit Facility to pay such amounts, interest on the Series A Bonds shall cease to accrue, anything contained in this Indenture or in the Series A Bonds to the contrary notwithstanding.

Prior to the Conversion Date, the payment on the Bonds resulting from a declaration of acceleration on the Bonds as the result of the occurrence of an Event of Default under Section 6.01(a) or 6.01(c) hereof shall be made from the applicable accounts of the Revenue Fund, the Bond Proceeds Fund and the Collateral Fund.

Following the Conversion Date, the payment on the Series A Bonds resulting from a declaration of acceleration on the Series A Bonds as the result of the occurrence of an Event of Default under Section 6.01(a) or 6.01(c) hereof shall be made from the Credit Facility.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower or the Credit Facility Provider, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) upon all the Bonds then due, with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Trustee (including its counsel) shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Reimbursement Agreement (including, without limitation, with respect to the Credit Facility Provider all outstanding amounts owed to the Credit Facility Provider and all fees owed to the Credit Facility Provider) (collectively, the "Cure Amount") shall have been paid in full, and all other defaults hereunder shall have been made good or cured or waived in writing by the Credit Facility Provider (or, if an Event of Default under Section 6.01(b) hereof has occurred and is then continuing, by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding), then and in every case, the Trustee on behalf of the Holders of all the Outstanding Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon. Notwithstanding the foregoing provisions of this paragraph, in the event the Cure Amount is derived in whole or in part from a draw on the Credit Facility, any such rescission or annulment of such declaration of acceleration shall not occur without the written consent of the Credit Facility Provider.

Upon the occurrence and during the continuance of an Event of Default, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Bonds with respect to which such an Event of Default has occurred and of the Credit

Facility Provider (if no Event of Default has occurred and is continuing under Section 6.01(b) hereof), may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the Holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under this Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights; provided that following the Conversion Date, so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, the Trustee may undertake any such remedy only upon the receipt of the prior written consent of the Credit Facility Provider (which consent may be given in the sole discretion of the Credit Facility Provider):

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, premium, if any, or interest on the Bonds then Outstanding and to require the Issuer or the Credit Facility Provider to carry out any covenants or agreements with or for the benefit of the Bondholders and to perform its duties under the Act, this Indenture, the Financing Agreement, the Regulatory Agreement or the Credit Facility (as applicable) to the extent permitted under the applicable provisions thereof;

(ii) by pursuing any available remedies under the Financing Agreement, the Regulatory Agreement, the Credit Facility or any other Bond Financing Document;

(iii) by realizing or causing to be realized through sale or otherwise upon the security pledged hereunder; and

(iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Holders of the Bonds and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Credit Facility Provider or the Bondholders hereunder or under the Financing Agreement, the Regulatory Agreement, the Credit Facility, the Reimbursement Agreement or any other Bond Financing Document, as applicable, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Trustee, the Credit Facility Provider or the Bondholders, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

In all events the rights of the Trustee to exercise remedies under this Indenture upon the occurrence of an Event of Default shall be subject to the provisions of the Intercreditor Agreement.

Section 6.03 Rights of Bondholders. Prior to the Conversion Date, if an Event of Default under either Section 6.01(a) or Section 6.01(c) hereof shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interest of the affected Bondholders. Prior to the Conversion Date, if an Event of Default under either Section 6.01(a) or Section 6.01(c) hereof shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of Section 6.08 hereof, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Indenture.

Following the Conversion Date, if an Event of Default under Section 6.01(b) hereof shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which Event of Default has occurred, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interest of the affected Bondholders. If an Event of Default under Section 6.01(b) hereof shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of Section 6.08 hereof, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Indenture.

Section 6.04 Waiver by Issuer.

Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Issuer nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Indenture; and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and redemption to which it may be entitled under the laws of the State and the United States of America.

Section 6.05 Application of Money After Default. All money (other than amounts drawn from the Credit Facility under Section 6.02 hereof) collected by the Trustee at any time pursuant to this Article shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee, prior to the Conversion Date, to the Series A General Account and Series B General Account and, following the Conversion Date, to the General Account, each in the Revenue Fund. Such money so credited to such accounts and all other money

from time to time credited to such accounts in the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article IV hereof and this Section 6.05.

In the event that at any time the money credited to the Revenue Fund and the Redemption Fund available for the payment of interest or principal then due with respect to the Bonds shall be insufficient for such payment, such money (other than money held for the payment or redemption of particular Bonds as provided in Section 4.09 hereof and amounts drawn from the Credit Facility under Section 6.02 hereof) shall be applied as follows and in the following order of priority:

(a) For payment of all amounts due to the Trustee incurred in performance of its duties under this Indenture, including, without limitation, the payment of all reasonable fees and expenses of the Trustee incurred in exercising any remedies under this Indenture.

(b) Following the Conversion Date, so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, for the payment to the Credit Facility Provider of all amounts then due and unpaid under the Reimbursement Agreement (including with respect to Freddie Mac all Freddie Mac Credit Enhancement Fees and Freddie Mac Reimbursement Amounts).

(c) Unless the principal of all Bonds shall have become or have been declared due and payable:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available is not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference; and

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of and premium, if any (which payment of premium shall not be restricted to Eligible Funds), on any Bonds which shall have become due, whether at maturity or by call for redemption, in the order in which they became due and payable, and, if the amount available is not sufficient to pay in full all the principal of and premium, if any, on the Bonds so due on any date, then to the payment of principal ratably, according to the amounts due on such date, to the Persons entitled thereto, without any discrimination or preference, and then to the payment of any premium due on the Bonds, ratably, according to the amounts due on such date, to the Persons entitled thereto, without any discrimination or preference.

(d) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal of, premium, if any (which payment of premium shall not be restricted to Eligible Funds), and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal, premium and interest, to the Persons entitled thereto without any discrimination or preference except as to any differences in the respective rates of interest specified in the Bonds.

(e) Following the Conversion Date, if an Event of Default has occurred and is then continuing under Section 6.01(b) hereof, for the payment to the Credit Facility Provider of all amounts then due and unpaid under the Reimbursement Agreement to the date of such Event of Default.

(f) To the payment of fees then due and owing to the Issuer.

Section 6.06 Rights of the Credit Facility Provider. Following the Conversion Date, if an Event of Default under Section 6.01(a) or Section 6.01(c) hereof shall have occurred and so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, upon receipt of the written direction of the Credit Facility Provider (which direction may be given in the sole discretion of the Credit Facility Provider), the Trustee shall be obligated to exercise any right or power conferred by this Article in the manner set forth in such written direction of the Credit Facility Provider. If such written direction expressly states that the Trustee may exercise one or more of the rights and powers conferred in this Article as the Trustee shall deem to be in the interest of the Holders of the Series A Bonds and the Credit Facility Provider, the Trustee, being advised by counsel or a committee of Responsible Officers, shall exercise one or more of such rights and powers as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interests of the Holders of the Series A Bonds and the Credit Facility Provider; provided, however, that in any event, so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, the Trustee may not undertake any action to realize, through sale or otherwise, upon the Bond Loan without the express written direction of the Credit Facility Provider. So long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, in the case of an Event of Default under Section 6.01(a) or Section 6.01(c) hereof, the Credit Facility Provider shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Indenture.

Section 6.07 Remedies Vested in Trustee. All rights of action, including the right to file proof of claims, under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery or judgment shall be for the mutual benefit as provided herein of all of the Holders of the Outstanding Bonds.

Section 6.08 Remedies of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default shall have occurred of which the Trustee shall have been notified as provided herein; (b) if following the Conversion Date, such default shall have become an Event of Default under Section 6.01(b) hereof; (c) the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which there is such an Event of Default shall have made written request to the Trustee and shall have offered reasonable opportunity to the Trustee either to proceed to exercise the powers hereinbefore granted or to

institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee indemnity as provided in this Indenture; and (e) the Trustee shall within sixty (60) days thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of Bonds or to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided with respect to the equal and ratable benefit of all Holders of Bonds with respect to which there is a default. Nothing contained in this Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed herein and in said Bonds.

Section 6.09 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee, the Credit Facility Provider, the Borrower and the Bondholders shall be restored to their former positions and rights hereunder with respect to the Trust Estate herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 6.10 Waivers of Events of Default. Prior to the Conversion Date, the Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds only at the written request of 51% of the Holders of the then Outstanding principal amount of Bonds. Following the Conversion Date, so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, the Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds only upon the written direction of the Credit Facility Provider. If there shall have occurred and is then continuing an Event of Default under Section 6.01(b) hereof, the Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the Holders of 100% of the Bonds then Outstanding with respect to which there is a default; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of any Bonds (other than Purchased Bonds) at the date of maturity specified therein, or upon proceedings for mandatory redemption of any Bonds (other than Purchased Bonds), (b) any default in the payment when due of the interest or premium on any such Bonds (other than Purchased Bonds), unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Credit Facility Provider and the Bondholders shall

be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.11 Notice to Bondholders if Default Occurs. Upon the occurrence of an Event of Default, or if an event occurs which could lead to an Event of Default with the passage of time and of which the Trustee is required to take notice pursuant to Section 7.02(1) hereof, the Trustee shall, within thirty (30) days, give written notice thereof by first class mail to the registered Owners of all Bonds then Outstanding. Notwithstanding the foregoing, except in the case of an Event of Default with respect to the payment of principal of or premium, if any, and interest on the Bonds, the Trustee shall be protected in withholding such notice if and so long as the board of directors of the Trustee, the executive committee, or a trust committee of directors or officers of the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds.

ARTICLE VII

CONCERNING THE TRUSTEE AND THE REMARKETING AGENT

Section 7.01 Standard of Care. The Trustee, prior to an Event of Default as defined in Section 6.01 hereof and after the curing or waiver of all such events which may have occurred, shall perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee, during the existence of any such Event of Default (which shall not have been cured or waived), shall exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under similar circumstances in the conduct of such Person's own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its breach of trust, own negligence or willful misconduct, except that:

(a) prior to an Event of Default hereunder, and after the curing or waiver of all such Events of Default which may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except with regard to the performance of such duties and obligations as are specifically set forth in this Indenture; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee by the Person or Persons authorized to furnish the same;

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee except for willful misconduct or negligence by the officer or employee of the Trustee as the case may be; and

(ii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Credit Facility Provider or the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding (or such lesser or greater percentage as is specifically required or permitted by this Indenture) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

Section 7.02 Reliance Upon Documents. Except as otherwise provided in Section 7.01 hereof:

(a) the Trustee may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, bond, or other paper or document of the proper party or parties, including any Electronic Notice as permitted hereunder or under the Financing Agreement;

(b) any notice, request, direction, election, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Issuer by an Authorized Officer of the Issuer (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of the Issuer may be evidenced to the Trustee by a copy of such resolution duly certified by an Authorized Officer of the Issuer;

(c) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by any Authorized Officer of the Borrower (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of the Borrower may be evidenced to the Trustee by a copy of such resolution duly certified by a secretary or other authorized representative of the Borrower;

(d) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Servicer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Servicer by an Authorized Officer of the Servicer (unless other evidence in respect thereof be herein specifically prescribed);

(e) any notice, request, direction, election, order or demand of the Credit Facility Provider mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Credit Facility Provider by any Authorized Officer of the Credit Facility Provider (unless other evidence in respect thereof be herein specifically prescribed);

(f) Intentionally Omitted;

(g) Intentionally Omitted;

(h) in the administration of the trusts of this Indenture, the Trustee may execute any of the trusts or powers hereby granted directly or through its agents, receivers or attorneys and shall not be responsible for the misconduct or negligence of such agents or attorneys appointed with due care, and the Trustee may consult with counsel (who may be counsel for the Issuer, the Servicer

or the Credit Facility Provider) and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or permitted by it hereunder in good faith and in accordance with the opinion of such counsel;

(i) whenever in the administration of the trusts of this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), may in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an officer or authorized agent of the Issuer or the Borrower and such certificate shall in the absence of bad faith on the part of the Trustee be full warrant to the Trustee for any action taken or permitted by it under the provisions of this Indenture, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable;

(j) the recitals herein and in the Bonds (except the Trustee's certificate of authentication thereon) shall be taken as the statements of the Issuer and the Borrower and shall not be considered as made by or imposing any obligation or liability upon the Trustee. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer or the Borrower to the Trust Estate, or as to the security of this Indenture, or of the Bonds issued hereunder, and the Trustee shall incur no liability or responsibility in respect of any of such matters;

(k) the Trustee shall not be personally liable for debts contracted or liability for damages incurred in the management or operation of the Trust Estate except for its own willful misconduct or negligence; and every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.02(k);

(l) the Trustee shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate the Trustee) herein or in any contracts or securities assigned or conveyed to or pledged with the Trustee hereunder, except Events of Default that are evident under Section 6.01(a) or 6.01(b) hereof. The Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default specified in Section 6.01 hereof (except defaults under Section 6.01(a) or 6.01(b) hereof) unless the Trustee shall receive from the Issuer, the Credit Facility Provider (if following the Conversion Date) or the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding written notice stating that a default or Event of Default has occurred and specifying the same, and in the absence of such notice the Trustee may conclusively assume that there is no such default. Every provision contained in this Indenture or related instruments or in any such contract or security wherein the duty of the Trustee depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.02(l);

(m) the Trustee shall be under no duty to confirm or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, except to the extent such statement or reports are furnished by or under the direction of the Trustee, and shall

be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by the Holder of any Bond; and

(n) the Trustee shall be under no obligation to exercise those rights or powers vested in it by this Indenture, other than such rights and powers which it shall be obliged to exercise in the ordinary course of its trusteeship under the terms and provisions of this Indenture and as required by law, at the request or direction of any of the Bondholders pursuant to Sections 6.03 and 6.08 hereof, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in the compliance with such request or direction.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

The Trustee is authorized and directed to execute in its capacity as Trustee the Financing Agreement, the Regulatory Agreement and the Intercreditor Agreement and shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

The Trustee or any of its affiliates may act as advisor or sponsor with respect to any Qualified Investments.

In no event shall the Trustee or an agent of the Trustee be responsible or liable for special, indirect, consequential, punitive or incidental loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee or an agent of the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; quarantine restrictions; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture and the Financing Agreement sent by Electronic Notice; provided, however, that the Issuer and Borrower and other parties as the case may be shall provide to the Trustee an incumbency certificate listing Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer, Borrower or other applicable parties elect to give the Trustee instructions by Electronic Notice and the Trustee in its discretion elects to act upon such instructions, the Trustee's

understanding of such instructions shall be deemed controlling. The Issuer, Borrower or other applicable parties agree that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer, Borrower or other applicable parties shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee, and the Issuer, Borrower or other applicable parties and the Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means. The Issuer, Borrower or other applicable parties agree (i) to assume all risks arising out of the use of such Electronic Notice to submit instructions and direction to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the use of Electronic Notice; (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

All notices, approvals, consents, requests and any communications to the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Issuer, Borrower or other applicable parties chooses to use electronic signatures to sign documents delivered to the Trustee, the Issuer agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

Any resolution, certification, notice, request, direction, election, order or demand delivered to the Trustee pursuant to this Section 7.02 shall remain in effect until the Trustee receives written notice to the contrary from the party that delivered such instrument accompanied by revised information for such party.

The Trustee shall have no responsibility for the value of any collateral or with respect to the perfection or priority of any security interest in any collateral except as otherwise provided in Section 7.17 hereof.

Section 7.03 Use of Proceeds. The Trustee shall not be accountable for the use or application of any of the Bonds authenticated or delivered hereunder or of the proceeds of the Bonds except as provided herein.

Section 7.04 Trustee May Hold Bonds. The Trustee and its officers and directors may acquire and hold, or become pledgees of Bonds and otherwise may deal with the Issuer and the Borrower in the same manner and to the same extent and with like effect as though it were not Trustee hereunder.

Section 7.05 Trust Imposed. All money received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which it was received.

Section 7.06 Compensation of Trustee. The Trustee shall be entitled to its Ordinary Trustee's Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of the Trustee hereunder or under any Bond Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. The Trustee shall be entitled to Extraordinary Trustee's Fees and Expenses in connection with any Extraordinary Services performed consistent with the duties hereunder or under any of the Bond Financing Documents; provided that following the Conversion Date, the Trustee shall not incur any Extraordinary Expenses without the consent of the Credit Facility Provider (except that no consent shall be required if an Event of Default under Section 6.01(b) hereof has occurred and is continuing). If any property, other than cash, shall at any time be held by the Trustee subject to this Indenture, or any supplemental indenture, as security for the Bonds, the Trustee, if and to the extent authorized by a receivership, bankruptcy, or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Indenture as such security for the Bonds, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other liens or encumbrances thereon. Payment to the Trustee for its services and reimbursement to the Trustee for its expenses, disbursements, liabilities and advances, shall be limited to the sources described in the Financing Agreement and in Sections 4.06, 4.11 and 6.05 hereof. Proceeds of draws on the Credit Facility shall not be used to pay or reimburse the Trustee for any such amounts. The Issuer shall have no liability for Trustee's fees, costs or expenses. Subject to the provisions of Section 7.09 hereof, the Trustee agrees that it shall continue to perform its duties hereunder (including, but not limited to, its duties as Paying Agent and Bond Registrar) and under the Bond Financing Documents even in the event that money designated for payment of its fees shall be insufficient for such purposes or in the event that the Borrower fails to pay the Ordinary Trustee's Fees and Expenses or, if applicable, the Extraordinary Trustee's Fees and Expenses as required by the Financing Agreement.

The Borrower shall indemnify and hold harmless the Trustee and its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants and servants, past, present or future, from and against (a) any and all claims by or on behalf of any person arising from any cause whatsoever in connection with this Indenture or transactions contemplated hereby, the Project, or the issuance, offering or sale of the Bonds; (b) any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project, or the issuance, offering or sale of the Bonds; and (c) all costs, reasonable counsel fees, expenses or liabilities incurred in connection with any such claim or

proceeding brought thereon; except that the Borrower shall not be required to indemnify any person for damages caused by the gross negligence, willful misconduct or unlawful acts of such person or which arise from events occurring after the Borrower ceases to own the Project. In the event that any action or proceeding is brought or claim made against the Trustee, or any of its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel to the extent a legal conflict exists in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel. The provisions of this Section 7.06 shall survive the termination of this Indenture or the removal or resignation of the Trustee.

Section 7.07 Qualifications of Trustee. There shall at all times be a Trustee hereunder which shall be an association or a corporation organized and doing business under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Trustee shall have a combined capital and surplus of at least \$50,000,000 (or shall be a wholly-owned subsidiary of an association or corporation that has such combined capital and surplus), and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to Section 7.11 hereof. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purposes of this Section 7.07, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.07 and another association or corporation is eligible, the Trustee shall resign immediately in the manner and with the effect specified in Section 7.09 hereof.

Section 7.08 Merger of Trustee. Any association or corporation into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any association or corporation resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Trustee hereunder and vested with all the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, and shall also be and become successor Trustee in respect of the beneficial interest of the Trustee in the Bond Loan.

Section 7.09 Resignation by the Trustee. The Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, the Borrower and the Credit Facility Provider, and by giving notice by certified mail or overnight delivery service to each Holder of the Bonds then Outstanding. Such notice to the Issuer, the Borrower and the Credit Facility Provider may be served personally or sent by certified mail or overnight delivery service. The resignation of the Trustee shall not be effective until a successor Trustee has been appointed as provided herein

and such successor Trustee shall have agreed in writing to be bound by the duties and obligations of the Trustee hereunder and under the Financing Agreement, the Regulatory Agreement, and, following the Conversion Date, the Intercreditor Agreement and the Credit Facility.

Section 7.10 Removal of the Trustee. The Trustee may be removed at any time, either with or without cause (and if following the Conversion Date, with the consent of the Credit Facility Provider, which consent of the Credit Facility Provider shall not be unreasonably withheld), by a written instrument signed by the Issuer and delivered to the Trustee and the Borrower, and if following the Conversion Date an Event of Default shall have occurred and be continuing, other than an Event of Default under Section 6.01(b) hereof, by a written instrument signed by the Credit Facility Provider and delivered to the Trustee, the Issuer and the Borrower. The Trustee may also be removed, if an Event of Default under Section 6.01(b) hereof shall have occurred and be continuing, by a written instrument or concurrent instruments signed by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding and delivered to the Trustee, the Issuer, the Borrower and the Credit Facility Provider. The Trustee may also be removed by the Credit Facility Provider (with the prior written consent of the Issuer, which consent shall not be unreasonably withheld) following notice to the Issuer and after a thirty (30) day period during which the Issuer may attempt to cause the Trustee to discharge its duties in a manner acceptable to Credit Facility Provider, and in each case written notice of such removal shall be given to the Servicer, the Borrower and to each registered Owner of Bonds then Outstanding as shown on the Bond Registrar. Any such removal shall take effect on the day specified in such written instrument(s), but the Trustee shall not be discharged from the trusts hereby created until a successor Trustee has been appointed and has accepted such appointment and has agreed in writing to be bound by the duties and obligations of the Trustee hereunder and under the Financing Agreement, the Regulatory Agreement, and the Intercreditor Agreement.

Section 7.11 Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Trustee or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Trustee hereunder, and the Issuer, with the written consent of the Credit Facility Provider if following the Conversion Date (which consent shall not be unreasonably withheld), shall promptly appoint a successor Trustee. Any such appointment shall be made by a written instrument executed by an Authorized Officer of the Issuer.

(b) If, in a proper case, no appointment of a successor Trustee shall be made pursuant to subsection (a) of this Section 7.11 within sixty (60) days following delivery of all required notices of resignation given pursuant to Section 7.09 hereof or of removal of the Trustee pursuant to Section 7.10 hereof, the retiring Trustee, at the cost of the Borrower, may apply to any court of competent jurisdiction to appoint a successor Trustee. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Section 7.12 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer a written

instrument accepting such appointment hereunder, accepting assignment of the beneficial interest in the Bond Mortgage, if applicable, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Trust Estate and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written Request of the Issuer, the Borrower or the Credit Facility Provider (if following the Conversion Date), or of its successor, and upon payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Trustee all the Trust Estate and the rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities, including, but not limited to, the existing Credit Facility, and money held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor Trustee for more fully and certainly vesting in such successor the Trust Estate and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded (if any). Each successor Trustee shall mail notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to the Owners of all Bonds Outstanding at their addresses on the Bond Register.

Section 7.13 Successor Trustee as Trustee, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which shall have resigned or shall have been removed shall cease to be trustee and paying agent on the Bonds and Bond Registrar, and the successor Trustee shall become such Trustee, Paying Agent and Bond Registrar.

Section 7.14 Appointment of Co-Trustee or Separate Trustee. It is the intent of the Issuer and the Trustee that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under or connected with this Indenture, the Financing Agreement or any of the other Bond Financing Documents, and, in particular, in case of the enforcement of any remedies on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein or therein granted to the Trustee or hold title to the properties in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee, with the consent of the Issuer, appoint an additional individual or institution as a co-trustee or separate trustee.

In the event that the Trustee appoints an additional individual or institution as a co-trustee or separate trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies granted to the Trustee herein or to hold title to the Trust Estate or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or vested in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vest in such separate trustee or co-

trustee, but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them, subject to the remaining provisions of this Section 7.14. Such co-trustee or separate trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Issuer and the Trustee.

Should any instrument in writing from the Issuer be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer, the Trustee and the Borrower. If the Issuer shall fail to deliver the same within thirty (30) days of such request, the Trustee is hereby appointed attorney-in-fact for the Issuer to execute, acknowledge and deliver such instruments in the Issuer's name and stead. In case any co-trustee or separate trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) The Bonds shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Indenture conferred upon the Trustee in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Trustee;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon or exercised or performed by the Trustee, or by the Trustee and such co-trustee, or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or separate trustee;

(c) any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co-trustee or separate trustee;

(d) any co-trustee or separate trustee to the extent permitted by law shall delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Trustee at any time by an instrument in writing with the concurrence of the Issuer evidenced by a certified resolution may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section 7.14 and in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of or remove any such co-trustee or separate trustee without the concurrence of the Issuer, and upon the request

of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 7.14;

(f) no Trustee or co-trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Bondholders and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee; and

(h) any money, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

The total compensation of the Trustee and any co-trustee or separate trustee shall be as, and may not exceed the amount, provided in Section 7.06 hereof.

Section 7.15 Notice of Certain Events. The Trustee shall give written notice to the Issuer, the Servicer and the Credit Facility Provider of any failure by the Borrower to comply with the terms of the Regulatory Agreement or any Market Risk Event of which a Responsible Officer has actual knowledge.

Section 7.16 Record of Freddie Mac Credit Enhancement Payments and Freddie Mac Reimbursement Amounts. Following the Conversion Date, the Trustee shall maintain records of all Freddie Mac Credit Enhancement Payments received by it from Freddie Mac under the Credit Enhancement Agreement and of all Freddie Mac Reimbursement Amounts paid by the Trustee to Freddie Mac or known by the Trustee to be due to Freddie Mac but unpaid from time to time. The Trustee hereby agrees, upon receipt of a written request from Freddie Mac, to cooperate with Freddie Mac and the Servicer in connection with the reconciliation of the Trustee's records maintained pursuant to this Section 7.16 and any similar records maintained by Freddie Mac or the Servicer.

Section 7.17 Filing of Financing Statements. The Trustee shall, at the expense of the Borrower, file or record or cause to be filed or recorded all UCC continuation statements for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Bonds pursuant to the authority of the UCC. Upon the filing of any such continuation statement the Trustee shall immediately notify the Issuer, the Borrower, the Credit Facility Provider (if following the Conversion Date) and the Servicer that the same has been done. If direction is given by the Servicer or the Credit Facility Provider, the Trustee shall file all continuation statements in accordance with such directions.

Section 7.18 USA Patriot Act Requirements of the Trustee. To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual Person such as a business entity, a charity,

a Trust, or other legal entity, the Trustee may request documentation to verify such Person's formation and existence as a legal entity. The Trustee may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such Person or other relevant documentation.

Section 7.19 Concerning the Remarketing Agent.

The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Series B Bonds. The Remarketing Agent shall designate to the Trustee its designated office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower and the Trustee. In addition, the Remarketing Agent will agree particularly to: keep such records relating to its computations of interest rates for the Series B Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee, the Borrower, the Investor Member, and the Special Member at all reasonable times; and

- (b) perform all of its functions and duties under this Indenture.

The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent's obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent's obligations under this Indenture, and any such appointment shall be effective without any action by the Issuer or the Borrower being necessary; provided that any such co-Remarketing Agent, shall have a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the U.S. Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints.

Section 7.20 Qualification of Remarketing Agent.

The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice of such resignation to the Issuer, the Borrower, the Investor Member, the Special Member and the Trustee. The Remarketing Agent may be removed, with prior notice to and the prior consent of the Issuer, at any time by the Borrower, with at least 30 days' notice of such removal to the Remarketing Agent. Any successor Remarketing Agent appointed by the Borrower shall be subject to the prior written consent of the Issuer.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Series B Bonds are then rated) and to the holders of the Series B Bonds.

ARTICLE VIII

SUPPLEMENTAL INDENTURES AND AMENDMENTS OF CERTAIN DOCUMENTS

Section 8.01 Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may from time to time and at any time, without the consent of, or notice to, any of the Bondholders, but, with the prior written consent of the Credit Facility Provider if after the Conversion Date, enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

- (a) to cure any formal defect, omission, inconsistency or ambiguity herein in a manner not materially adverse to the Holder of any Bond to be Outstanding after the effective date of the change;
- (b) to grant to or confer upon the Trustee for the benefit of the Holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted or conferred and that are not contrary to or inconsistent with this Indenture or the rights of the Trustee hereunder as theretofore in effect;
- (c) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under any state blue sky laws;
- (e) to make such additions, deletions or modifications as may be, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Facility Provider, necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds;
- (f) to modify, amend or supplement this Indenture as required by the Rating Agency to obtain or maintain a rating or ratings for the Bonds, except no change may be made that will materially adversely affect the interests of the Holders of the Bonds to be Outstanding after the effective date of the change;
- (g) to implement or modify any secondary market disclosure requirements; and

(h) to modify, amend or supplement this Indenture in any other respect which is not materially adverse to the Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in Section 8.02 hereof.

Section 8.02 Supplemental Indentures Requiring Consent of Bondholders. The Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding shall have the right (provided that, following the Conversion Date, the exercise of such right shall require the prior written consent of the Credit Facility Provider), from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture not described in Section 8.01; provided, however, that nothing in this Section 8.02 contained shall permit, or be construed as permitting, (a) an extension of the time for payment of, or an extension of the stated maturity or reduction in the principal amount or reduction in the rate of interest on or extension of the time of payment, of interest on, or reduction of any premium payable on the redemption of, any Bonds, or a reduction in the Borrower's obligation on the Bond Note, without the consent of the Holders of all of the Bonds then Outstanding, (b) the creation of any lien prior to or on a parity with the lien of this Indenture, (c) a reduction in the aforesaid percentage of the principal amount of Bonds which is required in connection with the giving of consent to any such supplemental indenture, without the consent of the Holders of all of the Bonds then Outstanding, (d) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, (e) a privilege or priority of any Bond over any other Bonds, or (f) any action that results in the interest on the Bonds becoming included in gross income for federal income tax purposes.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 8.02, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all registered Bondholders and to the Credit Facility Provider. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders.

Thirty (30) days after the date of the mailing of such notice, the Issuer and the Trustee may enter into such supplemental indenture substantially in the form described in such notice, but only if there shall have first been or is simultaneously delivered to the Trustee the required consents, in writing, of the Credit Facility Provider and the Holders of not less than the percentage of Bonds required by this Section 8.02. If the Holders of not less than the percentage of Bonds required by this Section 8.02 shall have consented to and approved the execution and delivery of a supplemental indenture as provided herein, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 8.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article.

Anything in this Article VIII to the contrary notwithstanding, unless the Borrower shall then be in default of any of its obligations under the Financing Agreement, the Reimbursement Agreement, the Regulatory Agreement, the Bond Note, the Bond Mortgage or the Reimbursement Mortgage, a supplemental indenture under this Article which affects any rights of the Borrower shall not become effective unless and until the Borrower shall have expressly consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Borrower or the Borrower's attorney at least fifteen (15) days prior to the proposed date of execution and delivery of any supplemental indenture.

Notwithstanding any other provision of this Indenture, the Issuer and the Trustee may consent to any supplemental indenture upon receipt of the consent of the Credit Facility Provider (if following the Conversion Date), the Holders of all Bonds then Outstanding and, as applicable, the Borrower.

Section 8.03 Amendments to Financing Agreement Not Requiring Consent of Bondholders. The Trustee shall, without the consent of, or notice to, the Bondholders, but with the consent of the Borrower and the Credit Facility Provider (if following the Conversion Date), consent to any amendment, change or modification of the Financing Agreement as follows:

(a) as may be required by the provisions of the Credit Facility, the Financing Agreement or this Indenture;

(b) to cure any formal defect, omission, inconsistency or ambiguity in the Financing Agreement in a manner not materially adverse to the Holder of any Bond to be Outstanding after the effective date of the change;

(c) to make such additions, deletions or modifications as may be necessary, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Facility Provider, to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds;

(d) to modify, amend or supplement the Financing Agreement as required by the Rating Agency to obtain or maintain a rating or ratings for the Bonds, except no change may be made that will materially adversely affect the interests of the Holders of the Bonds to be Outstanding after the effective date of the change; or

(e) to modify, amend or supplement the Financing Agreement in any other respect which is not materially adverse to the Trustee or Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in Section 8.04 hereof.

Section 8.04 Amendments to Financing Agreement Requiring Consent of Bondholders. Except for the amendments, changes or modifications of the Financing Agreement as provided in Section 8.03 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Financing Agreement without the consent of the Credit Facility Provider (if following the Conversion Date) and the Borrower, and without the giving of notice and the written approval or consent of the Holders of at least 51% of the aggregate principal amount of the Bonds then Outstanding given and procured in accordance with the procedure set forth in Section 8.02 hereof; provided, however, that nothing contained in this Section 8.04 shall

permit, or be construed as permitting, any amendment, change or modification of the Borrower's obligation to make the payments required under the Financing Agreement without the consent of the Holders of all of the Bonds then Outstanding. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Agreement, the Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 8.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by Bondholders.

Section 8.05 Amendments to the Credit Facility. The Trustee may, without the consent of, or notice to, any of the Bondholders enter into any amendment, change or modification of the Credit Facility (a) as may be required by the provisions of the Credit Facility, (b) to cure any formal defect, omission, inconsistency or ambiguity in the Credit Facility, (c) in a manner which is not prejudicial to the interests of the Bondholders as determined by the Trustee being advised by counsel, a committee of Responsible Officers or by a written confirmation from the Rating Agency of the then existing rating on the Bonds, or (d) as required by the Rating Agency to maintain the then current rating on the Bonds.

Section 8.06 Opinion of Bond Counsel Required. No supplement or amendment to the Financing Agreement or this Indenture, as described in this Article VIII, shall be effective until the Issuer, the Trustee and the Credit Facility Provider (if following the Conversion Date) shall have received an opinion of Bond Counsel to the effect that such supplement or amendment is authorized or permitted by this Indenture and, upon execution and delivery thereof, will be valid and binding upon the Issuer in accordance with its terms and will not cause interest on the Bonds to be included in gross income of the Holders thereof for federal income tax purposes. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed supplemental indenture or amendment permitted by this Article VIII complies with the provisions of this Indenture, (ii) it is proper for the Trustee to join in the execution of that supplemental indenture or amendment under the provisions of this Article VIII, and (iii) if applicable, such proposed supplemental indenture or amendment is not materially adverse to the interests of the Bondholders.

ARTICLE IX

SATISFACTION AND DISCHARGE OF INDENTURE

Section 9.01 Discharge of Lien. If the Issuer shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein, in any one or more of the following ways:

(a) by the payment of the principal of (including redemption premium, if any) and interest on all Bonds outstanding; or

(b) by the deposit or credit to the account of the Trustee, in trust, of money or securities in the necessary amount (as provided in Section 9.04 hereof) to pay the principal, redemption price and interest to the date established for redemption whether by redemption or otherwise; or

- (c) by the delivery to the Trustee, for cancellation by it, of all Bonds Outstanding;

and shall have paid all amounts due and owing to the Credit Facility Provider hereunder and under the Credit Facility and the Reimbursement Agreement (if following the Conversion Date), including but not limited to the Freddie Mac Reimbursement Amount and the Freddie Mac Credit Enhancement Fee, and shall have paid all fees and expenses of and any other amounts due to the Issuer, the Trustee, the Servicer, the Dissemination Agent, the Rebate Analyst, the Remarketing Agent and the Paying Agent, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estates and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer any interest in property at the time subject to the lien of this Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds, the payment of any amounts owed to the United States of America pursuant to Section 4.12 hereof or the payment of any amounts payable to the Credit Facility Provider.

Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01 if, under circumstances which do not cause interest on the Bonds to become included in the Holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled: (a) in case such Bond is to be redeemed on any date prior to its maturity, the Trustee shall have given to the Bondholder irrevocable notice of redemption of such Bond on said date; (b) there shall be on deposit with the Trustee, pursuant to Section 9.04 hereof, either money or direct obligations of the United States of America in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal or redemption price, if applicable, and interest due and to become due on such Bond on the redemption date or maturity date thereof, as the case may be; (c) in the case of Bonds which do not mature or will not be redeemed within 60 days of such deposit, the Trustee shall have received a verification report of a firm of certified public accountants reasonably acceptable to the Trustee as to the adequacy of the amounts so deposited to fully pay the Bonds deemed to be paid; (d) the Trustee shall have received an opinion of nationally recognized bankruptcy counsel, if required by subpart (e) of the definition of "Eligible Funds" herein, to the effect that such money constitutes Eligible Funds; (e) the Trustee shall have received a written statement from the Issuer stating that all amounts owed to the Issuer in respect of Unassigned Rights have been fully paid (it being understood that certain rights of the Issuer will survive the defeasance of the Bonds); and (f) the Trustee shall have received an opinion of Bond Counsel to the effect that the defeasance of the Bonds is in accordance with the provisions of the Indenture and that such defeasance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

The Trustee shall in no event cause the Bonds to be optionally redeemed from money deposited pursuant to this Article IX unless the requirements of Article III have been met with respect to such redemption, including the requirements of Sections 3.01(a) hereof.

Section 9.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.01 above) to pay or redeem Outstanding Bonds (whether upon or prior to their maturity or the redemption date of such Bonds) provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, all liability of the Issuer in respect of such Bonds shall cease, terminate and be completely discharged, except only that thereafter the holders thereof shall be entitled to payment by the Issuer, and the Issuer shall remain liable for such payment, but only out of the money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

Section 9.03 Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, and subject to applicable unclaimed property laws of the State, any money deposited with the Trustee or any paying agent in trust for the payment of the principal of, interest or premium on the Bonds remaining unclaimed for two years after the payment thereof: to the extent permitted by applicable law, shall be paid to the Borrower, whereupon all liability of the Issuer and the Trustee with respect to such money shall cease, and the holders of the Bonds shall thereafter look solely to the Borrower for payment of any amounts then due. All money held by the Trustee and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

Section 9.04 Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or credited to the account of or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held shall be Eligible Funds (or Government Obligations purchased with Eligible Funds) consisting of:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which there shall have been furnished to the Trustee proof satisfactory to it that notice of such redemption on a specified redemption date has been duly given or provision satisfactory to the Trustee shall be made for such notice, the amount so to be deposited or held shall be the principal amount of such Bonds and interest thereon to the redemption date, together with the redemption premium, if any; or

(b) noncallable and nonprepayable direct obligations of the United States of America or noncallable and nonprepayable obligations which as to principal and interest constitute full faith and credit obligations of the United States of America, in such amounts and maturing at such times that the proceeds of said obligations received upon their respective maturities and interest payment dates, without further reinvestment, will provide funds sufficient, in the opinion of a nationally recognized firm of certified public accountants, to pay the principal, premium, if any, and interest to maturity, or to the redemption date, as the case may be, with respect to all of the Bonds to be paid or redeemed, as such principal, premium and interest become due; provided that the Trustee shall have been irrevocably instructed by the Issuer to apply the proceeds of said obligations to the payment of said principal, premium, if any, and interest with respect to such Bonds.

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI

MISCELLANEOUS

Section 11.01 Consents and Other Instruments of Bondholders. Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Indenture to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such instrument, namely:

(a) the fact and date of the execution by any Person of any such instrument may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such instrument acknowledged the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of such authority;

(b) the ownership of registered Bonds shall be proved by the Bond Register; and

(c) any request, consent or vote of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Trustee or the Issuer in pursuance of such request, consent or vote.

Section 11.02 Servicing the Bond Loan. Following the Conversion Date, there shall be engaged at all times that Freddie Mac is the Credit Facility Provider an eligible servicing institution designated by Freddie Mac as the Servicer (which may be Freddie Mac if Freddie Mac elects to service the Bond Loan) to service the Bond Loan pursuant to the Guide.

Section 11.03 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the Parties hereto, the Credit Facility Provider, the Servicer, the Borrower and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof.

Section 11.04 Construction of Conflicts; Severability. Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Bonds, the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of the Code are inconsistent with the Bond Loan Documents, then the Bond Loan Documents shall be

Telephone: (202) 661-7622

Facsimile: (202) 661-2299

The Trustee: The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, PA 15262
Attention: Corporate Trust
Telephone: (412) 234-7468
Facsimile: (732) 667-9131

The Borrower: RGC2 Northwest 4 Owner LLC
c/o Lincoln Avenue Communities
401 Wilshire Blvd., 11th Floor
Santa Monica, California 90401
Attention: Hanna Jamar
Email: hanna@lincolnavecap.com

with a copy to: _____
Klein Hornig LLP
1325 G Street NW, Suite 770
Washington, D.C. 20005
Attention: Eric Hoffman
Email: ehoffman@kleinhornig.com

The Investor Member: Hudson RGC2 Northwest 4 LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

The Special Member: Hudson SLP LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

with a copy to: Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, California 90071
Attention: Craig A. Emden
Fax No.: (213) 559-0747

Credit Facility Provider: Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B2E
McLean, VA 22102
Attention: Multifamily Operations - Loan Accounting

Email: mfla@freddiemac.com
Trustee Hotline: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, VA 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: guy_nelson@freddiemac.com
Telephone: (703) 903-2000

The Servicer: Capital One, National Association
[Address]
[Attention:]

Remarketing Agent: Stifel, Nicolaus & Company, Incorporated
[Address]
[Attention:]

with a copy to: Tiber Hudson LLC
1800 M Street NW, Suite 350 South
Washington, DC 20036
Attention: Kent S. Neumann

Rating Agency: Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street, 16th Floor
New York, NY 10007
Attention: Public Finance Group – Housing Team
Email: Housing@moodys.com

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Credit Facility Provider and by any party to the Credit Facility Provider to the Servicer.

The Trustee agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Indenture.

(b) The Trustee shall provide to the Credit Facility Provider (i) prompt notice of the occurrence of any Event of Default pursuant to Section 6.01 hereof and (ii) any written information or other written communication received by the Trustee hereunder within ten (10) Business Days of receiving a written request from the Credit Facility Provider for any such information or other communication. The Trustee shall provide to the Rating Agency any information requested by the Rating Agency needed to maintain the rating on the Bonds.

(c) The Trustee shall provide to the Rating Agency, at the address specified in subsection (a) of this Section 11.05, notice of (i) any change in Trustee hereunder, (ii) any material amendment to any of the Bond Financing Documents, (iii) any substitution, termination, expiration

or extension of the Credit Facility, and (iv) any acceleration or redemption in whole or defeasance of the Bonds.

Section 11.06 Credit Facility Provider References. Prior to Conversion, the Credit Facility Provider shall be entitled to receive all notices and request information from the Trustee as herein provided. Following Conversion, all references herein to the rights of the Credit Facility Provider and the Servicer shall be of no force and effect upon and during the continuance of any Wrongful Dishonor.

Section 11.07 Trustee as Paying Agent and Bond Registrar. The Trustee is hereby designated and agrees to act as Paying Agent and Bond Registrar for and in respect to the Bonds. When acting in either such capacity, the Trustee will receive the same rights, protections and indemnifications afforded to the Trustee hereunder.

Section 11.08 Payments Due on Non-Business Days. In any case where a date of payment with respect to any Bonds shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period after such date provided that payment is made on such next succeeding Business Day.

Section 11.09 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.10 Laws Governing Indenture and Administration of Trust. The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State without regard to conflicts of laws principles.

Section 11.11 No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Bond shall be had against any member, officer, commissioner, director or employee (past, present or future) of the Issuer, either directly or through the Issuer or its governing body or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued hereunder, or otherwise, of any sum that may be due and unpaid by the Issuer or its governing body upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, commissioner, director or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Holder of any Bond issued hereunder or otherwise of any sum that may remain due and unpaid upon any Bond hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

Section 11.12 Successors and Assigns. All the covenants and representations contained in this Indenture by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Trust Indenture to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

[ISSUER'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – NW4
INDENTURE]

DMFIRM #413718877

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Matthew Maselko, Vice President

[TRUSTEE'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – NW4
INDENTURE]

DMFIRM #413718877

CONSENT AND AGREEMENT OF BORROWER

For and in consideration of the issuance of the Bonds by the Issuer, the Borrower consents to and approves the Indenture in all respects. In addition, the Borrower agrees that whenever the Indenture by its terms imposes any duty or obligation on the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform its duties and obligations thereunder.

RGC2 NORTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Northwest 4 MM LLC, a Delaware
limited liability company, its managing
member

By: _____
Russell Condas, Vice President

EXHIBIT A-1

FORM OF SERIES A BOND

NOTICE: Unless this bond certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owners hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(RESIDENCES AT GOVERNMENT CENTER 2 – NW4 PROJECT), SERIES 2024A**

NO. R-	\$(Par Amount)
INTEREST RATE:	___%
MATURITY DATE:	November 1, 2044
DELIVERY DATE:	[October 31], 2024
CUSIP NO.:	-
REGISTERED OWNER:	CEDE & CO.
PRINCIPAL AMOUNT:	[_____ NO/100 DOLLARS]

The Fairfax County Redevelopment and Housing Authority (the “**Issuer**”), a body corporate and an instrumentality of the Commonwealth of Virginia (the “**State**”), for value received, hereby promises (but solely from the sources and in the manner provided for in the hereinafter defined Indenture) to pay to the registered owner identified above, or registered assigns, on the maturity date set forth above, unless previously called for redemption, the principal sum as set forth above, together with interest thereon at the rate per annum identified above from the Interest Payment Date (as defined below) next preceding the date of authentication of this Bond to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of this Bond, or unless no interest has been paid or duly provided for on this Bond, in which case from the Delivery Date identified above, until the principal amount hereof shall have been fully paid, at the rate per annum identified above, payable on (a) November 1 and May 1 of each year, commencing [May] 1, 2025, (b) the maturity date identified above, and (c) the date of any earlier redemption or acceleration of this Bond (each, an “**Interest Payment Date**”), computed on the basis of a 360-day year consisting of twelve 30-day months, as provided in the Indenture. Notwithstanding the foregoing, if this Bond is authenticated after a Record Date and before the following Interest Payment Date, this Bond shall bear interest from such Interest Payment Date; provided, however, that if there shall be a default in the payment of interest due on such Interest Payment Date, then this Bond shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided

for on this Bond, from the Delivery Date. Payment of principal, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Payment of principal of this Bond, premium, if any, and interest on this Bond will be made by check mailed on the Interest Payment Date to the registered owner of this Bond as such address shall appear on the registration books for the Bonds on the 15th day of the month preceding each Interest Payment Date (a “**Record Date**”). Upon written request of a registered owner of at least \$1,000,000 aggregate principal amount of the Bonds received by The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor trustee appointed in accordance with the terms of the hereinafter defined Indenture, the “**Trustee**”), at least five (5) Business Days prior to a Record Date, all payments of principal, premium, if any, and interest will be paid by wire transfer of immediately available funds to an account designated by such owner, less any reasonable wire transfer fees imposed by the Trustee. All capitalized terms not defined herein shall have the meaning set forth in the Trust Indenture dated as of October 1, 2024, by and between the Issuer and the Trustee (the “**Indenture**”).

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF FAIRFAX COUNTY, VIRGINIA (THE “**COUNTY**”), THE COMMONWEALTH OF VIRGINIA (THE “**STATE**”) OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE TRUST INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION (“**FREDDIE MAC**”), AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT (AS HEREINAFTER DEFINED) ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, ANY OF THE BONDS OR FOR ANY CLAIM BASED THEREON OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THE INDENTURE CONTAINED, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER OF THE ISSUER, OFFICER, EMPLOYEE OR AGENT OF THE ISSUER, OR MEMBER OR OFFICER OF ANY SUCCESSOR PUBLIC ENTITY, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR PUBLIC ENTITY, UNDER ANY RULE OF LAW OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH

MEMBER OF THE ISSUER, OFFICER, EMPLOYEE OR AGENT AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND IN CONSIDERATION FOR, THE EXECUTION OF THE INDENTURE AND THE ISSUANCE OF ANY OF THE BONDS.

This Bond is one of a duly authorized issue of bonds of the Issuer known as its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A, issued in the original aggregate principal amount of \$[13,220,000] (the “**Bonds**”) under and pursuant to the Constitution and laws of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “**Act**”), and a bond resolution adopted by the Issuer on October 17, 2024. The Bonds, along with the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B are special, limited obligations of the Issuer payable solely from and secured by the Trust Estate pledged therefor pursuant to the Indenture. The Bonds are issued to provide funds to finance the acquisition, construction and equipping of a multifamily rental housing development known as “Residences at Government Center 2 – NW4” located in Fairfax County, Virginia, owned by RGC2 Northwest 4 Owner LLC (the “**Borrower**”).

The Bonds are issuable as fully registered bonds in Authorized Denominations of \$5,000 or integral multiples thereof.

Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the Trust Estate under the Indenture, the nature and extent of the security, the terms and conditions upon which the Bonds are issued and secured and the rights of the holders thereof, to all of the provisions of which Indenture the registered Owner of this Bond, by acceptance hereof, assents and agrees. This Bond is equally and ratably secured under the Indenture with all other Bonds issued thereunder.

The Bonds are subject to optional and mandatory redemption or purchase in lieu of redemption in accordance with the provisions of the Indenture.

In the event of a redemption of less than all of the Bonds, the Bonds to be redeemed shall be selected by lot. Bonds shall only be redeemed in Authorized Denominations.

Unless notice of redemption is not required under this Bond and the terms of the Indenture, notice of redemption of this Bond shall be given by first class mail, postage prepaid, to the registered owner hereof at the address of such owner shown on the registration books maintained by the Trustee, as bond registrar. All such notices shall be given not less than twenty (20) days (not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. Notice shall also be sent by certified mail, overnight delivery service or other secure means, postage prepaid, to the Credit Facility Provider and to certain Information Services as described in the Indenture. Failure to give notice by mailing to the registered owner of any Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond if notice shall have been mailed as herein provided. On or after the Conversion Date, the Trustee may provide a conditional notice of redemption upon the direction of the Credit Facility Provider or the Borrower (with the prior written consent of the Credit Facility Provider).

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is transferable by the registered owner hereof in Person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds of the same series, maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefore. The Bonds are issuable only as fully registered Bonds without coupons.

The Issuer and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until this Bond shall have been authenticated by the certificate of the Trustee endorsed hereon.

In the event of a conflict between the terms of this Bond and the Indenture, the terms of the Indenture shall control.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in the time, form and manner as required by law; that payment in full for this Bond has been received; and that this Bond and the issue of which it forms a part does not exceed or violate any constitutional or statutory limitation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed by the manual or facsimile signature of an Authorized Officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an Authorized Officer of the Issuer, all as the of the Delivery Date identified above.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

(SEAL)

ATTEST:

By: _____
Thomas Fleetwood, Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of and described in the within-mentioned Indenture.

Date of Authentication: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Authorized Signer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
(Please insert Social Security Number or other identifying number of assignee)

(Please print or Typewrite Name and Address of Assignee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Bond on the books kept for registration
thereof, with full power of substitution in the premises.

Dated: _____. Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by
an eligible guaranty institution.

Signature

NOTICE: The Signature to this assignment must correspond with the name as it appears upon the
face of the within Bond in every particular, without alteration or enlargement or any change
whatever. The signature must be guaranteed.

DTC FAST RIDER

Each Bond shall remain in the Trustee’s custody subject to the provisions of the FAST Balance
Certificate Agreement currently in effect between the Trustee and DTC.

EXHIBIT A-2

FORM OF SERIES B BOND

NOTICE: Unless this bond certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owners hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(RESIDENCES AT GOVERNMENT CENTER 2 – NW4 PROJECT), SERIES 2024B**

NO. R-	[\$Par Amount]
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INITIAL INTEREST RATE:	_____ %
INITIAL MANDATORY TENDER DATE:	November 1, 2027
MATURITY DATE:	November 1, 2028
DELIVERY DATE:	[October 31], 2024
CUSIP NO.:	-
REGISTERED OWNER:	CEDE & CO.
PRINCIPAL AMOUNT:	[_____ AND NO/100 DOLLARS]

The Fairfax County Redevelopment and Housing Authority (the “**Issuer**”), a body corporate and an instrumentality of the Commonwealth of Virginia (the “**State**”), for value received, hereby promises (but solely from the sources and in the manner provided for in the hereinafter defined Indenture) to pay to the registered owner identified above, or registered assigns, on the maturity date set forth above, unless previously called for redemption, the principal sum as set forth above, together with interest thereon from the Interest Payment Date (as defined below) next preceding the date of authentication of this Bond to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of this Bond, or unless no interest has been paid or duly provided for on this Bond, in which case from the Delivery Date identified above, until the principal amount hereof shall have been fully paid, at the Initial Interest Rate per annum identified above until the Initial Mandatory Tender Date identified above, and thereafter at the Remarketing Rate determined upon any subsequent remarketing thereof for the related Remarketing Period, payable on (a) November 1 and May 1 of each year, commencing [May] 1, 2025, (b) the maturity date identified above, and (c) the date of any earlier redemption or acceleration of this Bond (each, an “**Interest Payment Date**”), computed on the basis of a 360-day year consisting of twelve 30-day months, as provided in the Indenture. Notwithstanding the foregoing, if this Bond is authenticated after a Record Date and before the following Interest Payment Date, this Bond shall bear interest from such Interest Payment Date; provided, however,

that if there shall be a default in the payment of interest due on such Interest Payment Date, then this Bond shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on this Bond, from the Delivery Date. Payment of principal, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Payment of principal of this Bond, premium, if any, and interest on this Bond will be made by check mailed on the Interest Payment Date to the registered owner of this Bond as such address shall appear on the registration books for the Bonds on the 15th day of the month preceding each Interest Payment Date (a “**Record Date**”). Upon written request of a registered owner of at least \$1,000,000 aggregate principal amount of the Bonds received by The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor trustee appointed in accordance with the terms of the hereinafter defined Indenture, the “**Trustee**”), at least five (5) Business Days prior to a Record Date, all payments of principal, premium, if any, and interest will be paid by wire transfer of immediately available funds to an account designated by such owner, less any reasonable wire transfer fees imposed by the Trustee. All capitalized terms not defined herein shall have the meaning set forth in the Trust Indenture dated as of October 1, 2024, by and between the Issuer and the Trustee (the “**Indenture**”).

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF FAIRFAX COUNTY, VIRGINIA (THE “**COUNTY**”), THE COMMONWEALTH OF VIRGINIA (THE “**STATE**”) OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE TRUST INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION (“**FREDDIE MAC**”), AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT (AS HEREINAFTER DEFINED) ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, ANY OF THE BONDS OR FOR ANY CLAIM BASED THEREON OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THE INDENTURE CONTAINED, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER OF THE ISSUER, OFFICER, EMPLOYEE OR AGENT OF THE ISSUER, OR MEMBER OR

OFFICER OF ANY SUCCESSOR PUBLIC ENTITY, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR PUBLIC ENTITY, UNDER ANY RULE OF LAW OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH MEMBER OF THE ISSUER, OFFICER, EMPLOYEE OR AGENT AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND IN CONSIDERATION FOR, THE EXECUTION OF THE INDENTURE AND THE ISSUANCE OF ANY OF THE BONDS.

This Bond is one of a duly authorized issue of bonds of the Issuer known as its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B, issued in the original aggregate principal amount of \$[6,130,000] (the “**Bonds**”) under and pursuant to the Constitution and laws of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “**Act**”), and a bond resolution adopted by the Issuer on October 17, 2024. The Bonds, along with the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A, are special, limited obligations of the Issuer payable solely from and secured by the Trust Estate pledged therefor pursuant to the Indenture. The Bonds are issued to provide funds to finance the acquisition, construction and equipping of a multifamily rental housing development known as “Residences at Government Center 2 – NW4” located in Fairfax County, Virginia, owned by RGC2 Northwest 4 Owner LLC (the “**Borrower**”).

The Bonds are issuable as fully registered bonds in Authorized Denominations of \$5,000 or integral multiples thereof.

Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the Trust Estate under the Indenture, the nature and extent of the security, the terms and conditions upon which the Bonds are issued and secured and the rights of the holders thereof, to all of the provisions of which Indenture the registered Owner of this Bond, by acceptance hereof, assents and agrees. This Bond is equally and ratably secured under the Indenture with all other Bonds issued thereunder.

The Bonds are subject to mandatory tender in whole on each Mandatory Tender Date. Holders will not have the right to elect to retain their Bonds. Upon presentation and surrender of the Bonds by the Holder on the date fixed for tender, the Holder shall be paid the principal amount of the Bonds to be tendered, plus accrued interest on such Bonds to the Mandatory Tender Date.

The Bonds are subject to optional and mandatory redemption or purchase in lieu of redemption in accordance with the provisions of the Indenture.

In the event of a redemption of less than all of the Bonds, the Bonds to be redeemed shall be selected by lot. Bonds shall only be redeemed in Authorized Denominations.

Unless notice of redemption is not required under this Bond and the terms of the Indenture, notice of redemption of this Bond shall be given by first class mail, postage prepaid, to the registered owner hereof at the address of such owner shown on the registration books maintained by the Trustee, as bond registrar. All such notices shall be given not less than twenty (20) days (not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. Notice shall also be sent by

certified mail, overnight delivery service or other secure means, postage prepaid, to the Credit Facility Provider and to certain Information Services as described in the Indenture. Failure to give notice by mailing to the registered owner of any Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond if notice shall have been mailed as herein provided.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is transferable by the registered owner hereof in Person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds of the same series, maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefore. The Bonds are issuable only as fully registered Bonds without coupons.

The Issuer and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until this Bond shall have been authenticated by the certificate of the Trustee endorsed hereon.

In the event of a conflict between the terms of this Bond and the Indenture, the terms of the Indenture shall control.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in the time, form and manner as required by law; that payment in full for this Bond has been received; and that this Bond and the issue of which it forms a part does not exceed or violate any constitutional or statutory limitation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed by the manual or facsimile signature of an Authorized Officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an Authorized Officer of the Issuer, all as the of the Delivery Date identified above.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

(SEAL)

ATTEST:

By: _____
Thomas Fleetwood, Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of and described in the within-mentioned Indenture.

Date of Authentication: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Authorized Signer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
(Please insert Social Security Number or other identifying number of assignee)

(Please print or Typewrite Name and Address of Assignee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Bond on the books kept for registration
thereof, with full power of substitution in the premises.

Dated: _____. Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by
an eligible guaranty institution.

Signature

NOTICE: The Signature to this assignment must correspond with the name as it appears upon the
face of the within Bond in every particular, without alteration or enlargement or any change
whatever. The signature must be guaranteed.

DTC FAST RIDER

Each Bond shall remain in the Trustee’s custody subject to the provisions of the FAST Balance
Certificate Agreement currently in effect between the Trustee and DTC.

EXHIBIT B

**COSTS OF ISSUANCE REQUISITION
(Cost of Issuance Fund)**

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

Re: \$[13,220,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A and \$[6,130,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B

Trustee:

You are requested to disburse funds from the Cost of Issuance Fund pursuant to Section 4.13 of the Indenture in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the “Requisition”). The terms used in this requisition shall have the meaning given to those terms in the Trust Indenture (the “Indenture”) dated as of October 1, 2024, by and between the Fairfax County Redevelopment and Housing Authority and the Trustee, securing the above-referenced Bonds.

REQUISITION NO.:
PAYMENT DUE TO:
AMOUNT TO BE DISBURSED: \$

The undersigned, on behalf of RGC2 Northwest 4 Owner LLC, a limited liability company duly organized and existing under the laws of the Commonwealth of Virginia (the “Borrower”), certifies that:

- (a) the expenditures for which money is requisitioned by this Requisition represent proper charges against the Cost of Issuance Fund, have not been included in any previous requisition and are set forth in the Schedule attached to this Requisition, with invoices attached for any sums for which reimbursement is requested; and
- (b) the money requisitioned is not greater than the amount necessary to meet obligations due and payable or to reimburse the applicable party for funds actually advanced for Costs of Issuance.

Attached to this Requisition is a Schedule, together with copies of invoices or bills of sale covering all items for which payment is being requested.

Date of Requisition: _____

RGC2 NORTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Northwest 4 MM LLC, a
Delaware limited liability company, its
managing member

By: _____
Russell Condas, Vice President

EXHIBIT C

**BOND PROCEEDS FUND REQUISITION
(Bond Proceeds Fund)**

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

Re: \$[13,220,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A and \$[6,130,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B

You are requested to disburse funds from the Bond Proceeds Fund pursuant to Section 4.02 of the Indenture in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the “**Requisition**”). The terms used in this requisition shall have the meaning given to those terms in the Trust Indenture (the “**Indenture**”) dated as of October 1, 2024, by and between the Fairfax County Redevelopment and Housing Authority and the Trustee, securing the above-referenced Bonds.

REQUISITION NO.:

PAYMENT DUE TO:

AMOUNT(S) TO BE DISBURSED: \$ _____ from the Series A Project Account
\$ _____ from the Series B Project Account

The undersigned Borrower hereby represents and warrants that the following information and certifications provided in connection with this Requisition are true and correct as of the date hereof and authorizes Servicer to submit this Requisition to Trustee on behalf of Borrower:

1. Purposes for which disbursement is requested are specified in the attached Disbursement Schedule.
2. Party or parties to whom the disbursements shall be made are specified in the Disbursement Schedule (may be the undersigned in the case of reimbursement for advances and payments made or cost incurred for work done by the undersigned); provided, that no reimbursement shall be made for advances and payments made prior to _____, 2024).
3. The undersigned certifies that:
 - (a) Each item for which disbursement is requested hereunder is properly payable out of the Bond Proceeds Fund in accordance with the terms and conditions of the Indenture and the Financing Agreement and none of those items has formed the basis for any disbursement heretofore made from said Bond Proceeds Fund. The Borrower has made arrangements for an equal amount of Eligible Funds (i.e., \$[INSERT SAME AMOUNT AS ABOVE]) to be deposited into the Collateral

Fund contemporaneously with such requested disbursement from the Bond Proceeds Fund.

- (b) Each such item is or was incurred in connection with the acquisition, construction, installation, equipment or improvement of the Project.
- (c) The Borrower has received, or will concurrently with payment receive and deliver to the Trustee, appropriate waivers of any mechanics' or other liens with respect to each item for which disbursement is requested hereunder.
- (d) After taking into account the proposed disbursement,
 - (A) no more than 5% of the net proceeds of the Bonds will have been used for costs that are not Costs of the Project;
 - (B) less than 25% of the net proceeds of the Bonds will have been used for the cost of acquiring land; and
 - (C) not more than 2% of the proceeds of the Bonds will have been used for Costs of Issuance.
- (e) There is no current or existing default or event of default pursuant to the terms of the Financing Agreement or the Regulatory Agreement, and no event exists which by notice or passage of time or both would constitute an event of default under any of the foregoing documents.
- (f) There are no liens on the Project except those permitted or provided for by the Indenture and the Financing Agreement.
- (g) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warranty, protection and authority to the Trustee for its actions taken pursuant hereto.

IN WITNESS WHEREOF, the undersigned has executed this Requisition as of the day and date first above written.

Date of Requisition: _____

RGC2 NORTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Northwest 4 MM LLC, a
Delaware limited liability company, its
managing member

By: _____
Russell Condas, Vice President

EXHIBIT D

FORM OF PURCHASER'S LETTER

[To be prepared on letterhead of Purchaser]

[Date]

[Issuer]

[Trustee]

Re: \$[13,220,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A

Ladies and Gentlemen:

The undersigned (the “**Purchaser**”) hereby acknowledges receipt as transferee, from the previous owner thereof, of the above-referenced bonds (the “**Bonds**”) in fully registered form and in the aggregate principal amount of \$_____, constituting all of the Bonds currently outstanding. The Bonds have been checked, inspected and approved by the Purchaser.

The undersigned acknowledges that the Bonds were issued for the purpose of making a loan to assist in financing a multifamily rental housing development known as “Residences at Government Center 2 – NW4 Project” located in Fairfax County, Virginia (the “**Project**”), as more particularly described in that certain Financing Agreement dated as of October 1, 2024, as may be amended and supplemented from time to time (the “**Financing Agreement**”), by and among the Fairfax County Redevelopment and Housing Authority (the “**Issuer**”), RGC2 Northwest 4 Owner LLC (the “**Borrower**”), and The Bank of New York Mellon Trust Company, N.A. (the “**Trustee**”). The undersigned further acknowledges that the Bonds are secured by a certain Trust Indenture dated as of October 1, 2024, as may be amended and supplemented from time to time (the “**Indenture**”), between the Issuer and the Trustee, which creates a security interest in loan repayments made pursuant to the Financing Agreement for the benefit of the holders and Owners of the Bonds, and by a first lien priority Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing with respect to the Project (the “**Bond Mortgage**”), which creates a security interest in the Project, subject to permitted encumbrances, as provided therein. Terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

In connection with the sale of the Bonds to the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser hereby certifies that it is an “accredited investor” as that term is defined in Rule 501(a)(1), (2), (3), (7), (8), or (9) of Regulation D of the Securities Act of 1933 (the “**Act**”) or a “qualified institutional buyer” under Rule 144(a) of said Act (such “accredited investor” or “qualified institutional buyer”, a “Qualified Transferee”), and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of

municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

2. The Bonds are being acquired by the Purchaser for its own account and for investment and not with a view to, or for resale in connection with, any public distribution of the Bonds. The Purchaser understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible due to unmarketability of the Bonds.

3. The Purchaser understands that the Bonds have not been registered under the Act.

4. The Purchaser acknowledges that it is familiar with the conditions, financial and otherwise, of the Borrower and understands that the Borrower has no significant assets other than the Project. To the extent deemed appropriate in making its investment decision, the Purchaser has discussed the Borrower's financial condition and the Borrower's current and proposed business activities with the Borrower. The Purchaser further acknowledges that it has such knowledge and experience in business matters that it is fully capable of evaluating the merits and risks of this investment and it is able to bear the economic risk of the investment. The Bonds are a security of the kind the Purchaser wishes to purchase and hold for investment, and the nature and amount of the Bonds are consistent with the Purchaser's investment program. The Purchaser has been furnished such information and such documents as the Purchaser deems necessary to make a decision to purchase the Bonds, including copies or forms of the Indenture, the Financing Agreement, the Bond Mortgage and the Regulatory Agreement (as defined in the Indenture), and certain other documents relating to the Bonds and the Project, all of which documents the Purchaser has reviewed. Specifically, but without limitation, the Purchaser has reviewed information about the Project and the property manager for the Project, if any, as well as information about the investment risks relating to the Bonds, and the Purchaser understands that the Bonds involve a high degree of risk. SPECIFICALLY, AND WITHOUT IN ANY MANNER LIMITING THE FOREGOING, THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT, AMONG OTHER RISKS, THE BONDS ARE SECURED BY AND PAYABLE SOLELY FROM REVENUES DERIVED FROM THE PROJECT AND DO NOT HAVE THE BENEFIT OF ANY CREDIT FACILITY PROVIDED BY FEDERAL HOME LOAN MORTGAGE CORPORATION OR ANY OTHER ENTITY. The Purchaser has made such inquiry with respect to all of the foregoing as it believed to be desirable for its purposes.

5. The Purchaser has received from the Issuer no formal or informal offering or disclosure document relating to the Bonds and has concluded that the receipt of one prior to the purchase of the Bonds is not required. It is acknowledged that no written information has been provided by the Issuer, and that any written information furnished by any other party to the transaction does not purport to fully disclose all information pertinent to the Bonds.

6. Except as disclosed to the Issuer, the Purchaser is not now and has never been controlled by, or under common control with, the Borrower. Except as disclosed to the Issuer, the Borrower has never been and is not now controlled by the Purchaser. THE PURCHASER HAS ENTERED INTO NO ARRANGEMENTS WITH THE BORROWER OR WITH ANY AFFILIATE OF THE BORROWER IN CONNECTION WITH THE BONDS, OTHER THAN AS DISCLOSED TO THE ISSUER. The Purchaser hereby agrees to deliver to the Issuer a copy

of any agreement between the Purchaser and the Borrower or any affiliate of the Borrower relating to the Bonds. [THIS PARAGRAPH TO BE DELETED IN THE EVENT OF PURCHASE OF BONDS BY BORROWER OR AN AFFILIATE OF BORROWER.]

7. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

8. In entering into this transaction the Purchaser has not relied upon any representations or opinions made by the Issuer relating to the legal consequences or other aspects of the transactions, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the refinancing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of any collateral pledged to the Trustee to secure repayment of the Bonds.

9. The Purchaser has been informed that the Bonds (i) have not been and will not be registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any jurisdiction and (ii) will not be listed on any stock or other securities exchange.

10. The Purchaser has obtained, from representatives of the Borrower and others, all information regarding the Bonds which it has deemed relevant. The Purchaser has asked of the Borrower and all other relevant parties all the questions to which the Purchaser desired answers, and has had those questions satisfactorily answered. Neither the Borrower nor the Issuer nor any other relevant party has refused to disclose any information that the Purchaser deems necessary or appropriate to its decision to purchase the Bonds.

11. Although the Purchaser does not intend at this time to dispose of the Bonds, the Purchaser acknowledges that it has the right to sell and transfer the Bonds, subject to the following requirements:

(a) The Purchaser may not dispose of the Bonds to a person or entity other than as described in Section 1 without the prior written consent of the Issuer;

(b) The Purchaser will not sell or otherwise transfer the Bonds unless such transfer will not result in the transferee owning less than all of the Bonds, except with the prior written approval of the Issuer;

(c) Prior to any transfer of the Bonds, the Purchaser shall deliver to the Issuer and the Trustee a certificate identifying any and all documents that have been executed by the Purchaser and the Borrower or any affiliate of the Borrower with respect to the Bonds; and

(d) The Purchaser will not sell or otherwise transfer the Bonds without requiring the transferee to deliver to the Issuer and to the Trustee an investor’s letter to the same effect as this Purchaser’s Letter, including this paragraph 11, with no revisions except as may be approved in writing by the Issuer.

(e) The Purchaser will indemnify and hold harmless the Issuer from and against any loss, damage, cost or expense suffered as a result of (i) any sale of the Bonds by the Purchaser that does not comply with the terms of this Purchaser’s Letter or the Indenture or (ii) any inaccuracy of the Purchaser’s representations herein contained.

[PURCHASER]

By: _____

Name: _____

Title: _____

FINANCING AGREEMENT

among

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY,
as Issuer**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

and

**RCG2 NORTHWEST 4 OWNER LLC,
as Borrower**

Relating to

[\$13,220,000]

**Fairfax County Redevelopment and Housing Authority
(Residences at Government Center 2 – NW4 Project)
Series 2024A**

and

[\$6,130,000]

**Fairfax County Redevelopment and Housing Authority
(Residences at Government Center 2 – NW4 Project)
Series 2024B**

Dated as of October 1, 2024

All of the right, title and interest of the Fairfax County Redevelopment and Housing Authority (except for its Unassigned Rights) in and to this Financing Agreement are being assigned to The Bank of New York Mellon Trust Company, N.A., as Trustee, as security for the above-referenced bonds pursuant to a certain Trust Indenture dated as of October 1, 2024.

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EXHIBIT A—FORM OF BOND NOTE

FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “Financing Agreement”) is made and entered into as of October 1, 2024, by and among the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY** (the “Issuer”), a political subdivision of the Commonwealth of Virginia (the “State”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, duly organized and existing under the laws of the United States (together with any successor trustees appointed under the Indenture, the “Trustee”), and **RGC2 NORTHWEST 4 OWNER LLC**, a limited liability company duly organized and existing under the laws of the State (together with its successors and assigns permitted hereunder, the “Borrower”).

RECITALS:

A. Pursuant to the Constitution and laws of the State, particularly the provisions of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”) and the Trust Indenture dated as of October 1, 2024 (the “Indenture”) between the Issuer and the Trustee, the Issuer has determined to issue its \$[13,220,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project) Series 2024A (the “Series A Bonds”) and its \$[6,130,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project) Series 2024B (the “Series B Bonds”, and together with the Series A Bonds, the “Bonds”) for the financing of a seventy-four (74) unit multifamily rental housing development located at 12040 Government Center Parkway, in Fairfax, Virginia known as “Residences at Government Center 2 – NW4” (the “Project”).

B. The Issuer has agreed to use the proceeds derived from the sale of Bonds to make a loan in the aggregate principal amount of \$[19,350,000] (the “Bond Loan”) to the Borrower in connection with the Project on the terms specified in this Financing Agreement and upon the satisfaction of various conditions contained herein and in the Indenture.

C. The Borrower has agreed to use the proceeds of the Bond Loan to finance the acquisition of a leasehold interest in and the construction and equipping of the Project.

D. The Borrower’s repayment obligations in respect of the Bond Loan will be evidenced by a Multifamily Note dated October [31], 2024 (together with all riders and addenda thereto, the “Bond Note”) delivered to the Issuer, which Bond Note will be endorsed by the Issuer to the Trustee pursuant to the Indenture.

E. Prior to conversion of the Bond Loan and the Project from the Construction Phase to the Permanent Phase (the “Conversion”), the Bonds will be secured primarily by proceeds of the Bonds and other cash collateral and investments thereof held by the Trustee as provided in the Indenture. In addition to Bond proceeds, the Borrower will cause Eligible Funds, including the proceeds of a construction loan (the “Construction Loan”) from Capital One, National Association, a national banking association (the “Construction Lender”), to be delivered to the Trustee for deposit into the Collateral Fund established under the Indenture from time to time as security for the Bonds.

F. Federal Home Loan Mortgage Corporation (“Freddie Mac” or the “Credit Facility Provider”), subject to the terms and conditions of its Forward Commitment and the satisfaction on or before the Forward Commitment Maturity Date of the Conditions to Conversion set forth in the Construction Phase Financing Agreement and the Forward Commitment, has agreed that upon Conversion it will provide credit enhancement of the Bond Loan during the Permanent Phase (as hereinafter defined) pursuant and subject to a Credit Enhancement Agreement to be dated as of the Conversion Date, between the Credit Facility Provider and the Trustee (the “Credit Facility”).

G. As Conditions to Conversion, all of the Series B Bonds must be redeemed and the Series A Bonds Outstanding in excess of the Actual Bond Loan Amount (if any) must be redeemed on or prior to the Conversion Date.

H. Upon Conversion, the Trustee, will release funds held by it to be applied to the repayment of the Construction Loan, from the Series A Collateral Account.

I. The Issuer, the Trustee and the Credit Facility Provider have agreed, the provisions of the Indenture contemplate, and the Bondholders agree by the acceptance of the Series A Bonds under the terms of the Indenture, that if the Servicer issues the Conversion Notice on or before the Forward Commitment Maturity Date, the Credit Facility will be delivered on the Conversion Date and the amounts held in the Series A Collateral Fund will be released in accordance with the provisions of the Indenture.

J. To evidence the Borrower’s reimbursement obligations to the Credit Facility Provider for draws under the Credit Facility, the Borrower and the Credit Facility Provider will enter into a Reimbursement and Security Agreement (the “Reimbursement Agreement”) on the Conversion Date.

K. To secure the Borrower’s obligations under the Bond Note following the Conversion Date, the Borrower will execute and deliver to the Issuer on the Conversion Date a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Bond Mortgage”) with respect to the Project, which Bond Mortgage will be assigned to the Trustee on the Conversion Date.

L. To secure the Borrower’s reimbursement obligations under the Reimbursement Agreement, on the Conversion Date, the Borrower will execute and deliver to Freddie Mac a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Reimbursement Mortgage”) with respect to the Project.

M. On the Conversion Date, the Issuer, the Trustee and Freddie Mac will enter into an Intercreditor Agreement dated as of the Conversion Date (the “Intercreditor Agreement”) in connection with Freddie Mac’s delivery of the Credit Facility.

N. If the Servicer issues the Conversion Notice prior to the Forward Commitment Maturity Date, the Bond Loan will convert from the Construction Phase to the Permanent Phase.

O. If the Conversion Notice is not issued on or prior to the Forward Commitment Maturity Date, Conversion will not occur and the Credit Facility Provider will have no obligation

to deliver the Credit Facility as the Credit Facility for the Series A Bonds and the Series A Bonds will be subject to mandatory redemption in accordance with the terms of the Indenture.

P. On and after the Conversion Date, Capital One, National Association (the “Servicer”) will act as servicer for the Bond Loan.

NOW, THEREFORE, for and in consideration of the mutual covenants and representations hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. All words and phrases (except for Event of Default) defined in the Indenture shall have the same meanings for the purposes of this Financing Agreement. In addition to the words and phrases defined in the Indenture and elsewhere herein, the following words and phrases shall have the following meanings:

“Equity Investor” means, together, the Investor Member and the Special Member.

“Event of Default” means any of those events specified in and defined by the applicable provisions of Article VII hereof to constitute an event of default.

“Financing Agreement” means this Financing Agreement, together with any amendments hereto.

“Investor Member” means Hudson RGC2 Northwest 4 LLC, its successors and assigns.

“Special Member” means Hudson SLP LLC, its successors and assigns.

“Taxes” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

Section 1.2 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. References to Articles, Sections and other subdivisions of this Financing Agreement are the Articles, sections and other subdivisions of this Financing Agreement as originally executed.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Financing Agreement; the term “heretofore” means before the date of execution of this

Financing Agreement; and the term “hereafter” means after the date of execution of this Financing Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1 Representations, Warranties and Covenants of the Issuer. The Issuer makes the following representations, warranties and covenants:

- (a) The Issuer is a political subdivision of the State.
- (b) The Issuer has or will have as of the Delivery Date duly accomplished all conditions necessary to be accomplished by it prior to the issuance and delivery of the Bonds and execution and delivery of the Bond Financing Documents to which it is a party.
- (c) The Issuer is not in violation of or in conflict with any provisions of the laws of the State that would impair its ability to carry out its obligations contained in the Bond Financing Documents to which it is a party.
- (d) The Issuer has the legal right and is empowered to enter into the transactions contemplated by the Bond Financing Documents to which it is a party.
- (e) The Issuer has duly authorized the execution, delivery and performance of the Bond Financing Documents to which it is a party.
- (f) The Issuer will do all things in its power in order to maintain its existence or assure the assumption of its obligations under the Bond Financing Documents to which it is a party by any successor public body.
- (g) No officer or other official of the Issuer has any personal financial interest in the Project or the Borrower in the transactions contemplated by this Financing Agreement.

It is expressly acknowledged that the Issuer makes no representation or warranty, express or implied, that the proceeds of the Bonds will be sufficient to finance the acquisition, construction and equipping of the Project or that the Project will be adequate or sufficient for the Borrower’s intended purpose.

Section 2.2 Representations, Warranties and Covenants of the Borrower. The Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of the Borrower contained in this Financing Agreement, are relied upon by the Issuer, the Credit Facility Provider (following the Conversion Date), the Servicer and the Trustee and serve as a basis for the undertakings of the Issuer, the Servicer and the Trustee contained in this Financing Agreement:

- (a) The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the state in which it has been organized and duly qualified to conduct its business under the laws of the State and in every other state in which the nature of its

business requires such qualification, has full legal right, power and authority to enter into this Financing Agreement and the other Bond Financing Documents, and to carry out and consummate all transactions contemplated hereby and by the other Bond Financing Documents, and by proper action has duly authorized the execution, delivery and performance of this Financing Agreement and the other Bond Financing Documents. All corporate managing members, if any, of the Borrower are duly organized and in good standing under the laws of their respective states of organization and are duly qualified to transact business in the State as either domestic or foreign corporations, as applicable. All managing members, if any, are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the State, are duly qualified to transact business in the State as either domestic or foreign partnerships or limited liability companies, as applicable.

(b) The Borrower has the legal right, power and authority (i) to own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and the Borrower contemplates it to be conducted with respect to the Project and (iii) to execute and deliver, carry out its obligations under, and close the transactions provided for in, the Bond Financing Documents to which it is a party.

(c) Each of the Bond Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained or those necessary to be obtained during the course of acquisition, construction and equipping of the Project, is required for the due execution and delivery or approval, as the case may be, by the Borrower of, and the performance by the Borrower of its obligations under, the Bond Financing Documents.

(e) None of the execution and delivery of the Bond Financing Documents to which the Borrower is a party, the consummation of the transactions provided for in the Bond Financing Documents, or the Borrower's fulfillment of or compliance with the terms and conditions of the Bond Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over the Borrower, or any of its activities or properties, or any judgment, order, writ, injunction or decree to which the Borrower is subject, or any of the organizational or other governing documents of the Borrower, (ii) conflicts or will conflict with any agreement, instrument or license to which the Borrower is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for any lien, charge or encumbrance permitted under the terms of the Bond Financing Documents.

(f) The Borrower shall not cause or permit the Project, or any interest therein, to be sold, assigned or transferred, except as provided in the Bond Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of the Borrower to carry on its business substantially as now conducted and as contemplated by the Bond Financing Documents, (ii) adversely affect the financial condition of the Borrower, (iii) prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or the loaning of the proceeds of the Bonds to the Borrower or the execution and delivery of the Bonds or any of the Bond Financing Documents, (iv) adversely affect the validity or enforceability of the Bonds or any of the Bond Financing Documents, or (v) adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(h) The Project and the operation of the Project (in the manner contemplated by the Bond Financing Documents) conform and, following completion of the acquisition, construction and equipping of the Project, will continue to conform in all material respects with the requirements of the Act as well as all applicable zoning (or in the case of zoning, are legally non-conforming), planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(i) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(j) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which default would materially adversely affect the transactions contemplated by the Bond Financing Documents or the operations of the Borrower or the enforceability of the Bond Financing Documents to which the Borrower is a party or the ability of the Borrower to perform all obligations thereunder.

(k) The Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(l) If the Borrower is a limited liability company, all of the ownership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and except for the purchase option granted by the Investor Member and the Special Member to the Borrower's managing member, there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Financing Agreement shall prevent the Borrower from issuing additional membership interests if such units are issued in accordance with all applicable securities laws.

(m) The representations and warranties of the Borrower contained in the Tax Certificate and Regulatory Agreement are true and accurate in all material respects.

(n) The information, statements or reports furnished in writing to the Issuer, the Servicer and the Credit Facility Provider by the Borrower in connection with this Financing Agreement or the consummation of the transactions contemplated hereby (including, without limitation, any written information furnished by the Borrower in connection with the preparation of the Official Statement for the Bonds and of any other materials related to the issuance, delivery or offering of the Bonds on the Delivery Date) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or the assumptions contained in any certificate of the Borrower delivered as of the Delivery Date are reasonable.

(o) To the knowledge of the Borrower, no commissioner, member, officer or employee of the Issuer has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Bond Financing Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Bond Financing Documents.

(p) The Borrower intends to hold the Project for its own account and has no current plans to sell, and has not entered into any agreement, to sell all or any portion of the Project other than an option to purchase the Project held by the managing member of the Borrower in accordance with the Borrower's operating agreement.

(q) The Project is located wholly within the boundaries of the Fairfax County, Virginia.

(r) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The Borrower shall operate the Project as required by the Regulatory Agreement.

(s) The information contained in the Official Statement pertaining to the Borrower, the developer, the property manager and the Project is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(t) The Indenture and the Credit Facility attached as an exhibit to the Construction Phase Financing Agreement have been submitted to the Borrower for examination, and the Borrower, by execution of this Financing Agreement, acknowledges and agrees that it has participated in the drafting of the Indenture and has reviewed the Credit Facility and that it is bound

by, shall adhere to the provisions of, covenants and agrees to perform all obligations required of the Borrower pursuant to, and shall have the rights set forth by the applicable terms and conditions of, the Indenture.

(u) The Borrower will have a leasehold interest in the land and improvements on the Project, subject only to liens permitted under the Bond Mortgage and the Reimbursement Mortgage following the Conversion Date.

(v) The Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on the Issuer, the Trustee, the Credit Facility Provider or the Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Bond Financing Documents or otherwise relied on the Issuer, the Trustee, the Credit Facility Provider or the Servicer in any manner.

Section 2.3 Representations and Warranties of the Trustee. The Trustee makes the following representations and warranties:

(a) The Trustee is a national banking association, duly organized and existing under the laws of the United States. The Trustee is duly authorized to act as a fiduciary and to execute the trust created by the Indenture, and meets the qualifications to act as Trustee under the Indenture.

(b) The Trustee has complied with the provisions of law which are prerequisite to the consummation of, and has all necessary power (including trust powers) and authority (i) to execute and deliver this Financing Agreement and the other Bond Financing Documents to which it is a party, (ii) to perform its obligations under this Financing Agreement and the other Bond Financing Documents to which it is a party, and (iii) to consummate the transactions contemplated by this Financing Agreement and the other Bond Financing Documents to which it is a party.

(c) The Trustee has duly authorized (i) the execution and delivery of this Financing Agreement and the other Bond Financing Documents to which it is a party, (ii) the performance by the Trustee of its obligations under this Financing Agreement and the other Bond Financing Documents to which it is a party, and (iii) the actions of the Trustee contemplated by this Financing Agreement and the other Bond Financing Documents to which it is a party.

(d) Each of the Bond Financing Documents to which the Trustee is a party has been duly executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) The Trustee meets the qualifications to act as Trustee under the Indenture.

(f) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Trustee as a prerequisite to (i) the execution and delivery of this Financing Agreement and the other Bond Financing Documents to which the Trustee is a party, (ii) the authentication or delivery of the Bonds, (iii) the performance by the Trustee of its obligations under this Financing Agreement and the other Bond Financing Documents to which it is a party, or (iv) the consummation of the transactions contemplated by this Financing Agreement and the other Bond Financing Documents to which the Trustee is a party. The Trustee makes no representation or warranty relating to compliance with any federal or state securities laws.

Section 2.4 Arbitrage and Rebate Fund Calculations. The Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.12 of the Indenture, and (b) if required to do so under Section 4.12 of the Indenture, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Issuer for the purpose of making any and all calculations required under Section 4.12 of the Indenture. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.12 of the Indenture. The Borrower shall cause the Rebate Analyst to provide such calculations to the Trustee and the Issuer at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Indenture and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

Section 2.5 Tax Covenants of the Borrower. The Borrower covenants and agrees that:

(a) It will at all times comply with the terms of the Tax Certificate and the Regulatory Agreement;

(b) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Bonds to be included in gross income, for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such excludability from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but not limited to, the filing of all reports and certifications required by the Regulatory Agreement);

(c) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Bonds;

(d) It will comply with the requirements of Section 148 of the Code and the Regulations issued thereunder throughout the term of the Bonds and will not make any use of the proceeds of the Bonds, or of any other funds which may be deemed to be proceeds of the Bonds under the Code and the related regulations of the United States Treasury, which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and

(e) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Bonds becoming included in gross income for purposes of federal income tax purposes, it will promptly give written notice of such

circumstance, event or condition to the Issuer, the Trustee, the Credit Facility Provider and the Servicer.

(f) The full amount of each disbursement from the Series A Bond Proceeds Account or the Series B Bond Proceeds Account of the Bond Proceeds Fund will be applied to pay or to reimburse the Borrower for the payment of Costs of the Project and, after taking into account any proposed disbursement, (i) at least 95% of the net proceeds of the Bonds (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code) and (ii) less than 25% of the net proceeds of the Bonds will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none of the proceeds of the Bonds (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(g) The Borrower will cause all of the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Act, the Code and the Regulatory Agreement;

(h) All leases will comply with all applicable laws and the Regulatory Agreement;

(i) In connection with any lease or grant by the Borrower of the use of the Project, the Borrower will require that the lessee or user of any portion of the Project not use that portion of the Project in any manner which would violate the covenants set forth in this Financing Agreement or the Regulatory Agreement;

(j) No proceeds of the Bonds shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in Section 147(d) of the Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with the proceeds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds;

(k) From the proceeds of the Bonds and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Bonds, will be used for Costs of Issuance of the Bonds, all within the meaning of Section 147(g)(1) of the Code;

(l) No proceeds of the Bonds shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises; and

(m) Neither the Borrower nor any related party to the Borrower (as defined in Treasury Regulation 1.150-1(b)) will purchase any of the Bonds in an amount related to the obligation represented by this Financing Agreement. This covenant shall survive the defeasance of the Bonds and shall remain in effect until the payment in full of the Bonds.

In the event of a conflict between the terms and requirements of this Section 2.5 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

Section 2.6 Enforcement of Bond Financing Documents. The Trustee may enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of the Bond Financing Documents as and to the extent set forth therein.

ARTICLE III

THE BOND LOAN

Section 3.1 Conditions to Funding the Bond Loan. On the Delivery Date, the Issuer shall cause the Bond proceeds to be deposited with the Trustee in accordance with Sections 2.11 and 4.01 of the Indenture and Section 3.3 hereof. The Trustee shall use such proceeds as provided in Article II of the Indenture, provided that no such disbursements of proceeds of the Bonds shall be made until the following conditions have been met:

(a) The Borrower shall have executed and delivered to the Issuer the Multifamily Note, substantially in the form attached hereto as *Exhibit A* (the “Bond Note”), and the Issuer shall have endorsed the Bond Note to the Trustee;

(b) The Regulatory Agreement shall have been executed and delivered by the parties thereto and shall have been delivered to the title company for recording in the appropriate office for officially recording real estate documents in the jurisdiction in which the Project is located (the “Recorder’s Office”); and the Trustee shall have received evidence satisfactory to it of such delivery;

(c) The Bond Financing Documents not listed above and to be effective prior to the Conversion Date shall have been executed and delivered by all parties thereto and delivered to the Trustee; and

(d) The Borrower shall have delivered to the Trustee and the Issuer a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.2 hereof and an opinion of its counsel or other counsel satisfactory to the Trustee and the Issuer.

Section 3.2 Terms of the Bond Loan; Servicing.

(a) The Bond Loan shall (i) be evidenced by the Bond Note; (ii) be secured by amounts held in certain funds and accounts maintained by the Trustee in accordance with the Indenture and, in addition, on and following the Conversion Date, by the Credit Facility and the Bond Mortgage; (iii) be in the aggregate principal amount of \$[19,350,000]; (iv) bear interest as provided in the Bond Note; (v) provide for principal and interest payments and payments of purchase price in accordance with the Bond Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Bond Note.

(b) From and after the Conversion Date, the Servicer shall service the Bond Loan pursuant to the Forward Commitment and the *Guide*. The Issuer, the Trustee and the Borrower acknowledge and agree that (i) selection or removal of any Servicer is in the sole and absolute discretion of the Credit Facility Provider; (ii) neither the Issuer nor the Trustee shall terminate or attempt to terminate any Servicer as the servicer for the Bond Loan or appoint or attempt to appoint a substitute servicer for the Bond Loan; (iii) the Forward Commitment and the *Guide* are each subject to amendment without the consent of the Trustee, the Issuer or the Borrower; and (iv) none of the Trustee, the Issuer or the Borrower shall have any rights under, or be a third party beneficiary of, the *Guide*. From and after the Conversion Date, the Servicer shall have the right to collect all payments made by the Borrower in connection with the Bond Loan and to receive copies of all reports and notices provided for by the Bond Financing Documents.

Section 3.3 Initial Deposits. On the Delivery Date, proceeds of the Series A Bonds in the aggregate amount of \$[13,220,000] shall be deposited in the Series A Bond Proceeds Account and proceeds of the Series B Bonds in the aggregate amount of \$[6,130,000] shall be deposited in the Series B Bond Proceeds Account of the Bond Proceeds Fund. The Borrower will also deposit or cause to be deposited with the Trustee the Costs of Issuance Deposit, the Administration Fund Deposit and the Initial Collateral Fund Deposit. Subject to the conditions listed in Section 3.1 hereof, amounts on deposit in the Bond Proceeds Fund are to be disbursed to the Borrower or otherwise as provided in Sections 2.11 and 4.11 of the Indenture.

To the extent that amounts in the Cost of Issuance Fund from the above-mentioned sources are insufficient to pay all costs of issuing the Bonds, the Borrower shall cause the payment of such additional costs of issuing the Bonds to be made on its behalf as such amounts become due.

Section 3.4 Assignment to Trustee. The parties hereto acknowledge, and the Borrower consents to, the assignment by the Issuer to the Trustee pursuant to the Indenture of all of the Issuer's right, title and interest in this Financing Agreement (excluding the Unassigned Rights), the Bond Loan, the Revenues and, on and after the Conversion Date, the Bond Mortgage and the Credit Facility as security for the payment of the principal of, premium, if any, and interest on the Bonds and the payment of the Freddie Mac Credit Enhancement Fee and Freddie Mac Reimbursement Amount.

Section 3.5 Investment of Funds. Except as otherwise provided in the Indenture, any money held as a part of any fund or account established under the Indenture shall be invested or reinvested by the Trustee in Qualified Investments in accordance with Section 4.08 of the Indenture.

Section 3.6 Damage; Destruction and Eminent Domain. If, prior to payment in full of the Bonds, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and the Issuer, the Borrower, the Trustee or, following the Conversion Date, the Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Bond Loan Documents, the Indenture and the Reimbursement Agreement.

Section 3.7 Continuing Disclosure Requirement. The Borrower hereby covenants and agrees it will promptly execute and deliver to the Trustee and the Issuer an agreement to deliver such information and reports and give notice of the occurrence of certain events consistent with the requirements of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”). Notwithstanding any other provision of this Financing Agreement, failure of the Borrower to comply with any continuing disclosure agreement shall not be considered an Event of Default hereunder; however, the Trustee, at the written request of any underwriter of the Bonds required to comply with the Rule or the Owners of at least 25% aggregate principal amount in Outstanding Bonds or, following the Conversion Date, the Credit Facility Provider, shall, but only to the extent indemnified to its satisfaction, or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with its obligations under this Section 3.7.

ARTICLE IV

LOAN PAYMENTS

Section 4.1 Payments Under the Bond Note; Independent Obligation of Borrower.

(a) The Borrower agrees to repay the Bond Loan as provided in the Bond Note, and in all instances at the times and in the amounts necessary to enable the Trustee, on behalf of the Issuer, to pay all amounts payable with respect to the Bonds, when due, whether at maturity or upon redemption (with premium, if applicable), mandatory tender, acceleration or otherwise. The obligation of the Borrower to make the payments set forth in this Article IV shall be an independent and separate obligation of the Borrower from its obligation to make payments under the Bond Note, provided that in all events payments made by the Borrower under and pursuant to the Bond Note shall be credited against the Borrower’s obligations hereunder on a dollar for dollar basis. If for any reason the Bond Note or any provision of the Bond Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Bond Note or such provision of the Bond Note shall be deemed to be the obligation of the Borrower pursuant to this Financing Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV and shall not serve to discharge any of the Borrower’s payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Bond Note.

The Borrower acknowledges and agrees that, following the Conversion Date, the Servicer may collect monthly payments from the Borrower with respect to the Bond Loan in accordance with the Reimbursement Agreement, but such payments shall not be credited against the principal or interest due with respect to the Bond Loan or the Bond Note until and only to the extent such amounts are used to reimburse the Credit Facility Provider for amounts paid under the Credit Facility to pay principal of or interest on the Bonds.

(b) The obligations of the Borrower to repay the Bond Loan, to perform all of its obligations under the Bond Loan Documents, to provide indemnification pursuant to Section 6.1 hereof, to pay costs, expenses and charges pursuant to Section 4.2 hereof and to make any and all other payments required by this Financing Agreement, the Indenture or any other documents

contemplated by this Financing Agreement or by the Bond Loan Documents shall, subject to the limitations set forth in Section 5.1 hereof, be absolute and unconditional and shall not be subject to diminution by setoff, recoupment, counterclaim, abatement or otherwise.

(c) Notwithstanding anything contained in any other provision of this Financing Agreement to the contrary (but subject to the provisions of Section 5.1 hereof and the Intercreditor Agreement), the following obligations of the Borrower shall be and remain the joint and several full recourse obligations of the Borrower and each of the Borrower's managing members (but not recourse to any of the Borrower's managing members' members, directors, officers, shareholders, partners or affiliates), payable from and enforceable against any and all income, assets and properties of the Borrower: (i) the Borrower's obligations to the Issuer and the Trustee under subsections (b)(ii), (b)(iv), (b)(vi), and (b)(vii) of Section 4.2 hereof; (ii) the Borrower's obligations under Sections 2.5 and 6.1 of this Financing Agreement; (iii) the Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Bonds and fees and expenses of the Rebate Analyst as provided in Sections 2.4 and 4.3 of this Financing Agreement and the Tax Certificate; and (iv) the Borrower's obligation to pay legal fees and such expenses under Section 7.4 hereof.

Section 4.2 Payment of Certain Fees and Expenses Under the Bond Note.

(a) In addition to the payments set forth in Section 4.1 hereof, payments to be made by the Borrower under the Bond Note include certain money to be paid in respect of, among others, the Ordinary Trustee's Fees and Expenses, the Issuer Fees and Expenses, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, any Extraordinary Trustee's Fees and Expenses, any annual rating maintenance fees of the Rating Agency and amounts required to be deposited in any Custodial Escrow Account pursuant to the Bond Loan Documents, as set forth in subsection (b) of this Section 4.2. To the extent that any portion of the Ordinary Trustee's Fees and Expenses, the Issuer Fees and Expenses, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, any Extraordinary Trustee's Fees and Expenses, any annual rating maintenance fees of the Rating Agency and amounts required to be deposited in a Custodial Escrow Account remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Indenture or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in subsection (b) of this Section 4.2.

(b) The Borrower shall pay (or cause to be paid by the Trustee, to the extent paid from money on deposit in the Administration Fund or the Cost of Issuance Fund, as applicable), in consideration of the funding of the Bond Loan, the following fees, expenses and other money payable in connection with the Bond Loan:

(i) Reserved.

(ii) On the Delivery Date, from money on deposit in the Cost of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Issuer, the Ordinary Issuer Fees and Expenses then due in an amount equal to \$[332,400], together with all third party and out-of-pocket expenses of the Issuer

(including but not limited to the reasonable fees and expenses of counsel to the Issuer) in connection with the Bond Loan and the issuance of the Bonds.

(iii) On the Delivery Date, from money on deposit in the Cost of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, its commitment fees and application fees, together with all third party and out of pocket expenses of the Servicer (including but not limited to the reasonable fees and expenses of counsel to the Servicer) in connection with the Bond Loan.

(iv) On the Delivery Date, from money on deposit in the Cost of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Trustee, an acceptance fee in an amount equal to \$[____], together with all third party and out-of-pocket expenses of the Trustee (including but not limited to the reasonable fees and expenses of counsel to the Trustee) in connection with the Bond Loan and the issuance of the Bonds.

(v) From money of the Borrower, to the Trustee, within two (2) Business Days of receipt from the Trustee of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Indenture, the amount of any such deficiency in the Administration Fund.

(vi) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Trustee, the Ordinary Trustee's Fees and Expenses and the Extraordinary Trustee's Fees and Expenses when due from time to time.

(vii) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Issuer, the Ordinary Issuer Fees and Expenses when due and any Extraordinary Issuer Fees and Expenses when due from time to time.

(viii) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Indenture and this Financing Agreement when due from time to time.

(ix) From amounts withheld by the Servicer as provided in the Guide, to Freddie Mac, the Freddie Mac Credit Enhancement Fee due from time to time.

(x) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to Freddie Mac, the amount of any Freddie Mac Reimbursement Amount due and owing from time to time but unpaid and any portion of the Freddie Mac Credit Enhancement Fee remaining unpaid as provided in Section 4.06 of the Indenture.

(xi) From amounts withheld by the Servicer as provided in the Guide, to the Servicer, the Ordinary Servicing Fees and Expenses due from time to time.

(xii) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, the amount of any portion of the Ordinary Servicing Fees and Expenses remaining unpaid and any Extraordinary Servicing Fees and Expenses.

(xiii) From amounts withheld by the Servicer as provided in the Guide, to the Servicer, the amounts required to be deposited in a Custodial Escrow Account pursuant to the Bond Loan Documents from time to time.

(xiv) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, the amounts required to be deposited in the Custodial Escrow Account remaining unpaid.

(xv) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Dissemination Agent, if any, the Dissemination Agent's Fee when due from time to time.

(xvi) From money on deposit in the Administration Fund, or to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Rating Agency, the annual rating maintenance fee, if any, of the Rating Agency.

(xvii) From money on deposit in the Administration Fund, or to the extent such money is insufficient, from other money of the Borrower, all Remarketing Expenses and any other amounts required in connection with a remarketing of the Series B Bonds.

Section 4.3 Payments to Rebate Fund. The Borrower shall pay when due to the Trustee at the Principal Office of the Trustee any amount required to be deposited in the Rebate Fund in accordance with Section 4.12 of the Indenture.

Section 4.4 Prepayment of Bond Loan. The Borrower shall have the option to prepay the Bond Loan in full or in part prior to the payment and discharge of all the outstanding Bonds in accordance with the provisions of the Indenture, this Financing Agreement and the Bond Note, and, following the Conversion Date, only with the prior written consent of the Credit Facility Provider and the payment of any amount due under the next succeeding paragraph. The Borrower shall be required to prepay the Bond Loan in each case that the Bonds are required to be redeemed in accordance with the terms and conditions set forth in the Indenture.

The Bonds are subject to redemption in accordance with the terms and conditions set forth in the Indenture. In connection with any prepayment, whether optional or mandatory, in addition to all other payments required under the Bond Note, the Borrower shall pay, or cause to be paid to the Servicer (from and after the Conversion Date) or other party (from and after the Conversion Date) as directed by the Credit Facility Provider (or, if no Credit Facility is then in effect, to the Trustee), an amount sufficient to pay the redemption price of the Bonds to be redeemed, including principal, interest and premium (if any), such premium to be paid with Eligible Funds not consisting of funds drawn under the Credit Facility (if after Conversion), and further including any interest to accrue with respect to the Bond Loan and such Bonds between the prepayment date and the redemption date, together with a sum sufficient to pay all fees, costs and expenses in connection

with such redemption and, in the case of redemption in whole, to pay all other amounts payable under this Financing Agreement, the Indenture and the Reimbursement Agreement.

The Borrower shall provide notice of the prepayment to the Issuer, the Trustee, and after the Conversion Date, to the Credit Facility Provider and the Servicer in writing forty-five (45) days, or such shorter time as is possible in the case of mandatory prepayments of the Bonds, prior to the date on which the Borrower will make the prepayment. Each such notice shall state, to the extent such information is available, (a) the amount to be prepaid, (b) the date on which the prepayment will be made by the Borrower, and (c) the cause for the prepayment, if any.

Section 4.5 Borrower's Obligations Upon Redemption. In the event of any redemption of the Bonds under the Indenture, the Borrower will timely pay, or cause to be paid through the Servicer after the Conversion Date, to the Trustee an amount equal to the principal amount of such Bonds or portions thereof called for redemption, together with interest accrued to the redemption date and premium, if any, such premium to be paid with Eligible Funds not consisting of funds drawn under the Credit Facility. In addition, the Borrower will timely pay all fees, costs and expenses associated with any redemption of Bonds.

Section 4.6 Credit Facility Reimbursement Fund. Following the Conversion Date, under the Reimbursement Agreement, the Borrower shall make monthly interest payments and principal deposits to the Servicer for remittance to the Trustee for deposit into the Credit Facility Reimbursement Fund on the second Business Day preceding the first day of each calendar month following Conversion. Amounts on deposit in the Credit Facility Reimbursement Fund shall be held solely for the benefit of the Credit Facility Provider and shall be applied as provided in the Indenture.

Amounts on deposit in the Credit Facility Reimbursement Fund shall not be credited against the principal amount of the Bond Note or be deemed to be interest payments on the Bond Loan until the date such amounts are withdrawn from the Credit Facility Reimbursement Fund and used to reimburse the Credit Facility Provider for amounts paid under the Credit Facility to redeem or otherwise pay principal of or interest on the Bonds; provided, however, if a Wrongful Dishonor has occurred and is continuing any amounts on deposit in the Credit Facility Reimbursement Fund not necessary to reimburse Freddie Mac for amounts owed under the Reimbursement Agreement shall be used by the Trustee to make payments due on the Bonds in satisfaction of the Borrower's obligation to make payments on the Bond Loan.

Section 4.7 Sources, Deposits and Uses. The Trustee shall apply the amounts deposited into the Series A Bond Proceeds Account of the Bond Proceeds Fund and the Series A Collateral Account as provided in Sections 4.02 and 4.17 of the Indenture to secure the Series A Bonds until the Conversion Date. The Trustee shall apply the amounts deposited into the Series B Bond Proceeds Account of the Bond Proceeds Fund and the Series B Collateral Account as provided in Sections 4.02 and 4.17 of the Indenture to secure the Series B Bonds until the Initial Mandatory Tender Date, subject to earlier redemption, unless the conditions to remarketing set forth in Section 3.10 of the Indenture are satisfied. The Borrower accepts the Construction Loan from the Construction Lender, upon the terms and conditions set forth in the Construction Loan Documents. The Borrower will accept the Credit Facility from the Credit Facility Provider on the Conversion Date, upon the terms and conditions set forth in the Bond Financing Documents and

in the Indenture. The Issuer has caused the proceeds of the Bonds to be provided to the Trustee for deposit to the Bond Proceeds Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture and the Bond Note. The Borrower has made arrangements for the delivery of certain Eligible Funds as contemplated herein and in the Indenture and subject to the terms of the Forward Commitment and the Construction Phase Financing Agreement, for the delivery to the Trustee of the Credit Facility on the Conversion Date. Subject to Section 4.1 and Section 4.6 hereof, payments on the Credit Facility received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of, premium, if any, and interest on the Series A Bonds.

Section 4.8 Eligible Funds Deposited Prior to Conversion. In consideration of and as a condition to the disbursement of Bond proceeds in the Bond Proceeds Fund to pay Costs of the Project (but not as a condition to or as otherwise permitted under the Indenture), and to secure the Borrower's obligation to make payments on the Bond Loan prior to the Conversion Date, the Borrower shall cause the delivery of Eligible Funds equal to the amount of the proposed disbursement to the Trustee on or before each such disbursement. All such Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the applicable Account of the Collateral Fund as set forth in Section 4.17 of the Indenture and disbursed in accordance with the provisions of the Indenture.

Section 4.9 Disbursement from the Bond Proceeds Fund Prior to Conversion Date. Subject to the provisions below and, prior to the Conversion Date, so long as no Event of Default hereunder has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to Section 7.1 hereof and Section 6.01 of the Indenture, and no determination of taxability has occurred, disbursements from the Bond Proceeds Fund shall be made only to pay any of the Costs of the Projects.

Except as otherwise permitted under the Indenture, any disbursements from the Bond Proceeds Fund for the payment of Costs of the Project shall be made by the Trustee only upon the receipt by the Trustee of: (a) a signed requisition in the form attached to the Indenture as Exhibit C, on which the Trustee may conclusively rely; and (b) the receipt by the Trustee of Eligible Funds in an amount equal to the amount of any such disbursement request for deposit into the Collateral Fund as provided in Section 4.8 hereof. The Borrower hereby acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month. Each such disbursement request shall be consecutively numbered and accompanied by a copy of the approval of the Construction Lender (or other provider of such Eligible Funds) of the payments or reimbursements requested. Proceeds of the Bonds disbursed pursuant to the provisions of this Financing Agreement may only be used to pay the Costs of the Project or as otherwise permitted under the Indenture.

Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the issuance of the Bonds as required by Section 149(e) of the Code, and in the notice of public hearing pertaining to the Bonds shall be accompanied by an opinion of Bond Counsel to the effect that such disbursement will not adversely affect the status of the interest on the Bonds as excludible from gross income for federal income tax purposes of the Bondholders (except on Bonds while held by a substantial user or related person, each as defined in the Code).

Any money remaining on the Conversion Date in the Series A Bond Proceeds Account of the Bond Proceeds Fund shall be applied as provided in the Indenture.

Notwithstanding any provision of this Financing Agreement or any provision of the Indenture to the contrary, except as set forth in this paragraph, the Trustee shall not disburse funds from the Bond Proceeds Fund unless and until the Trustee confirms that Eligible Funds in the applicable Account of the Collateral Fund plus Eligible Funds in the applicable Account of the Bond Proceeds Fund, less the amount of the requested disbursement from the applicable Account of the Bond Proceeds Fund, is at least equal to the then Outstanding principal amount of the Series A Bonds or Series B Bonds, as applicable; provided, however, the Trustee shall be permitted to transfer funds from the applicable account of the Bond Proceeds Fund to the applicable account of the Collateral Fund as set forth under the Indenture, provided that, as a result of any such transfer, with respect to (i) the Series A Bonds, the amount of Eligible Funds remaining on deposit in the Series A Bond Proceeds Account plus Eligible Funds on deposit in the Series A Collateral Fund Account is at least equal to the then Outstanding principal amount of the Series A Bonds and (ii) the Series B Bonds, the amount of Eligible Funds remaining on deposit in the Series B Bond Proceeds Account of the Bond Proceeds Fund plus Eligible Funds on deposit in the Series B Collateral Fund Account, [plus scheduled investment earnings on the Qualified Investments in such accounts,] is at least equal to the then Outstanding principal amount of the Series B Bonds.

Section 4.10 Remarketing of Series B Bonds. The Borrower or an Authorized Officer thereof, with the written consent of the Remarketing Agent, is hereby granted the right to (a) request a remarketing of the Series B Bonds in the manner and to the extent set forth in Section 3.10 of the Indenture and (b) designate the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 3.08 and 3.10 of the Indenture.

ARTICLE V

SPECIAL COVENANTS OF BORROWER

Section 5.1 Performance of Obligations. The Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Bond Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, at the times and in the manner set forth herein and therein.

Except with respect to the obligations of the Borrower set forth in Sections 2.4, 2.5, 4.2(b)(ii), 4.2(b)(iv), 4.2(b)(vi), 4.2(b)(vii), 4.3, 6.1 and 7.4 hereof, but otherwise notwithstanding any other provisions of this Financing Agreement, the obligations of the Borrower under this Financing Agreement are non-recourse liabilities of the Borrower. However, nothing in this Section 5.1 shall limit the right of the Issuer, the Trustee, or following the Conversion Date, the Servicer or the Credit Facility Provider to proceed against the Borrower to recover any fees owing to any of them or any actual out-of-pocket expenses (including but not limited to actual out-of-pocket reasonable attorneys' fees incurred by any of them) incurred by any of them in connection with the enforcement of any rights under this Financing Agreement or the other Bond Financing Documents. Nothing in this Section 5.1 shall limit any right that, following the

Conversion Date, the Servicer or the Credit Facility Provider may have to enforce the Bond Note, the Bond Mortgage, or any other Bond Loan Document in accordance with their terms.

Section 5.2 Compliance With Applicable Laws. All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

Section 5.3 Indenture Provisions. The execution of this Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower. Whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower shall carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 5.4 No Alternate Credit Facility. The Borrower shall not be permitted to replace the Credit Facility for the Bonds.

Section 5.5 Borrower to Maintain Its Existence; Certification of No Default.

(a) The Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Bond Financing Documents to which the Borrower is a party, the Borrower shall, within 30 days after the end of each calendar year, render to the Trustee a certificate executed by an Authorized Officer of the Borrower to the effect that the Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Bond Financing Documents to which the Borrower is a party and that, to the best of the Borrower's knowledge, after reasonable investigation, there has occurred no default or Event of Default (as such terms are defined in each respective Bond Financing Document) under any of the Bond Financing Documents.

Section 5.6 Borrower to Remain Qualified in State and Appoint Agent. The Borrower will remain duly qualified to transact business in the State and will maintain an agent in the State on whom service of process may be made in connection with any actions against the Borrower.

Section 5.7 Sale or Other Transfer of Project. Subject to the Intercreditor Agreement, the Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Bond Loan Documents, and upon receipt of the prior written consent of the Issuer and the Credit Facility Provider.

Section 5.8 Right to Perform Borrower's Obligations. In the event the Borrower fails to perform any of its obligations under this Financing Agreement, the Issuer, the Trustee and/or the Servicer (from and after the Conversion Date), after giving requisite notice, if any, and subject to the Intercreditor Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Trustee or the

Servicer (from and after the Conversion Date) shall become an additional obligation of the Borrower hereunder, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Bond Loan Documents.

Section 5.9 Notice of Certain Events. The Borrower shall promptly advise the Issuer, the Trustee, the Credit Facility Provider and the Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.10 Survival of Covenants. The provisions of Sections 2.4, 2.5, 4.2, 4.3, 6.1 and 7.4 hereof shall survive the expiration or earlier termination of this Financing Agreement and, with regard to the Trustee, the resignation or removal of the Trustee.

Section 5.11 Access to Project; Records. Subject to reasonable notice and the rights of tenants at the Project, the Issuer, the Trustee, and following the Conversion Date, the Servicer and the Credit Facility Provider, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) during normal business hours: a) to enter the Project and any other location containing the records relating to the Borrower, the Project, the Bond Loan and the Borrower's compliance with the terms and conditions of the Bond Financing Documents; b) to inspect and audit any and all of the Borrower's records or accounts pertaining to the Borrower, the Project, the Bond Loan and the Borrower's compliance with the terms and conditions of the Bond Financing Documents; and c) to require the Borrower, at the Borrower's sole expense, (i) to furnish such documents to the Issuer, the Trustee, the Servicer and the Credit Facility Provider, as the Issuer, the Trustee, the Servicer or the Credit Facility Provider, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Bond Financing Documents have been complied with and (ii) to make copies of any records that the Issuer, the Trustee, the Servicer or the Credit Facility Provider or the respective duly authorized agents of each, may reasonably require. The Borrower shall make available to the Issuer, the Trustee, and following the Conversion Date, the Servicer and the Credit Facility Provider, such information concerning the Project, the Bond Mortgage and the Bond Financing Documents as any of them may reasonably request.

Section 5.12 Regulatory Agreement. The covenants of the Borrower in the Regulatory Agreement shall be deemed to constitute covenants of the Borrower running with the land and an equitable servitude for the benefit of the owners of the Bonds and shall be binding upon any owners of the Project until such time as such restrictions expire as provided in the Regulatory Agreement. The Borrower covenants to file of record the Regulatory Agreement and such other documents and take such other steps as are necessary in order to assure that the restrictions contained in the Regulatory Agreement will, subject to the terms of the Regulatory Agreement, be binding upon all owners of the Project. The Borrower covenants to include such restrictions or a reference to such restrictions in any documents transferring any interest in the Project to another to the end that such transferee has notice of, and is bound by, the Regulatory Agreement. Subject to the provisions of the Intercreditor Agreement, the Issuer and the Trustee shall have the right to seek specific performance of or injunctive relief to enforce the requirements of any covenants of the Borrower contained in the Regulatory Agreement or this Financing Agreement.

Section 5.13 Damage, Destruction and Condemnation. If prior to full payment of the Bonds (or provision for payment of the Bonds in accordance with the provisions of the Indenture) the Project or any portion of it is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion of it shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or shall be transferred pursuant to an agreement or settlement in lieu of eminent domain proceedings, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in this Financing Agreement and in the Bond Note to the extent the Bond Loan is not prepaid in accordance with the terms of the Bond Loan Documents.

Section 5.14 Obligation of the Borrower To Acquire and Construct the Project. The Borrower shall proceed with reasonable dispatch to complete the acquisition, construction and equipping of the Project. If amounts on deposit in the Bond Proceeds Fund designated for the Project and available to be disbursed to the Borrower are not sufficient to pay the costs of such acquisition, construction and equipping, the Borrower shall pay such additional costs from its own funds. The Borrower shall not be entitled to any reimbursement from the Issuer, the Trustee, the Servicer, the Credit Facility Provider or the Bondholders in respect of any such costs or to any diminution or abatement in the repayment of the Bond Loan. Neither of the Trustee nor the Issuer makes any representation or warranty, either express or implied, that money, if any, which will be paid into the Bond Proceeds Fund or otherwise made available to the Borrower will be sufficient to complete the Project, and neither of the Trustee nor the Issuer shall be liable to the Borrower, the Bondholders or any other person if for any reason the Project is not completed.

Section 5.15 Filing of Financing Statements. The Borrower shall file or record or cause to be filed or recorded on or prior to the Delivery Date and the Conversion Date, as applicable, all UCC financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to the priority of the Bond Loan, the Trust Estate and the Bond Mortgage, and the rights and powers of the Issuer, the Trustee and the Credit Facility Provider in connection with such security interests. The Borrower shall cooperate with the Trustee in connection with the filing of any continuation statements for the purpose of continuing without lapse the effectiveness of such financing statements.

ARTICLE VI

INDEMNIFICATION

Section 6.1 Indemnification.

(a) Subject to the provisions of subsections (b) and (c) of this Section, the Borrower hereby agrees to pay, indemnify and hold harmless the Issuer and the Trustee, the commissioners, directors and officers of the Issuer, the Trustee and their respective employees, attorneys, agents, trustees and representatives (collectively, the “Indemnified Parties”) from any and all losses, damages, costs, expenses and fees (including all reasonable attorneys’ fees, costs and expenses), causes of action, suits, allegations, claims, demands, judgments and liabilities of whatsoever nature or kind (including, but not limited to, any documentary stamp or transfer taxes due and payable in connection with the Loan, if any, litigation and court costs, amounts paid in settlement by or with

the approval of the Borrower and amounts paid to discharge judgments) directly or indirectly resulting from or arising out of or relating to:

- (i) the issuance, offering, sale, delivery or remarketing of the Bonds;
- (ii) the design, construction, installation, operation, use, occupancy, maintenance, management or ownership of the Project by the Borrower and any predecessors in title;
- (iii) the enforcement of (a) the Tax Regulatory Agreement or (b) the provisions of the Documents and any other document executed by the Borrower in connection with issuance of the Bonds and the making of the Loan and (c) the obligations of the Borrower imposed hereby or thereby;
- (iv) any untruthful, misleading or inaccurate information supplied by the Borrower relating to the Project, the Borrower, the property manager or to the terms of financing relating to the Project;
- (v) any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the operation, use, non-use, maintenance, construction, installation, condition or occupancy of the Project or any part thereof and by any predecessors in title, including any and all acts or operations relating to any construction or repair performed by the Borrower and by any predecessors in title in connection with the Project, other than that caused by any gross negligence or willful act of the Issuer or anyone acting on its behalf;
- (vi) any violation, breach or alleged breach of any agreement, covenant, representation, warranty or condition of this Agreement (except in the case of a breach alleged by the Issuer or the Trustee and such alleged breach is not found by a court of competent jurisdiction), except by the Issuer or the Trustee;
- (vii) any determination of taxability with respect to the Bonds, including the fees and expenses of the Issuer and its counsel in responding to any inquiry or audit by the Internal Revenue Service or resulting litigation or settlement in connection therewith;
- (viii) the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Project of hazardous materials or the violation or alleged violation of any federal, state or local environmental law, regulation, order, consent decree or administrative action, official interpretation thereof in connection with the Project; and
- (ix) any and all other losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including, but not limited to, any documentary stamp or transfer taxes due and payable in connection with the Loan, if any, reasonable attorneys' fees, costs and expenses, litigation and court costs, amounts paid in settlement by or with the approval of the Borrower and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of, or related to the issuance, offering, sale or delivery of the Bonds;

(x) any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue or misleading statement, or alleged untrue or misleading statement, of a material fact contained in any offering or disclosure document or other offering materials relating to the sale or remarketing of the Bonds (collectively, "Disclosure Statement") or the omission or alleged omission of any material fact of any Disclosure Statement, necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, the Borrower shall have no indemnification obligation with respect to any statement or omission for which the Indemnified Party is responsible; and

(xi) the performance by the Trustee of its duties under the Indenture and any Bond Financing Document.

(b) Notwithstanding the foregoing, the Trustee shall not be indemnified hereunder for any claims or damages arising from its own negligent acts or omissions, or from any willful misconduct by the Trustee with respect to the provisions of the Indenture.

(c) After receipt by the Indemnified Parties of notice (notice to the Indemnified Parties being service with respect to the filing of any legal action, receipt of any claim in writing or similar form of actual notice) of any claim as to which they assert a right to indemnification, the Indemnified Parties will notify the Borrower of such claim. The Indemnified Parties will provide notice to the Borrower promptly, but in no event later than fifteen (15) Business Days following their receipt of a filing relating to a legal action or thirty (30) days following their receipt of any other claim.

(d) The provisions of this Section shall be in addition to and not limited by the provisions of Section 5.01 hereof and shall survive the payment of the Bonds and the discharge of the Indenture, the termination of this Agreement or the sooner resignation or removal of the Trustee.

Section 6.2 Limitation With Respect to the Credit Facility Provider. Notwithstanding anything in this Financing Agreement to the contrary, in the event that the Credit Facility Provider shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Bond Loan, the Credit Facility Provider shall not be liable for any breach or default of any prior owner of the Project under this Financing Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Credit Facility Provider is the owner of the Project. Accordingly, during any period that the Credit Facility Provider owns the Project and that this Article VI is applicable to the Credit Facility Provider, the Credit Facility Provider's obligations under this Article VI shall be limited to acts and omissions of the Credit Facility Provider occurring during the period of the Credit Facility Provider's ownership of the Project.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. The following shall be “**Events of Default**” under this Financing Agreement and the term “Event of Default” shall mean, whenever it is used in this Financing Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Bond Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Issuer for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under this Financing Agreement, the Bond Note or the Bond Mortgage at the times and in the amounts required by this Financing Agreement, the Bond Note and the Bond Mortgage, as applicable;

(c) The Borrower’s failure to observe and perform any of its other covenants, conditions or agreements contained herein, other than as referred to in clause (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given by the Issuer, the Credit Facility Provider (after Conversion) or the Trustee to the Borrower; provided, however, that if the failure shall be such that it can be corrected but not within such period, the Issuer, the Credit Facility Provider (after Conversion) and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected; or

(d) After the Conversion Date, the occurrence of an event of default (after expiration of any notice and cure period, if applicable) under the Reimbursement Agreement shall at the discretion of the Credit Facility Provider constitute an Event of Default under this Financing Agreement but only if the Trustee and the Issuer are provided written notice thereof by the Credit Facility Provider that an Event of Default has occurred under the Reimbursement Agreement and the Trustee and the Issuer are instructed by the Credit Facility Provider that such default constitutes an Event of Default hereunder. The occurrence of an Event of Default hereunder shall in the discretion of the Credit Facility Provider constitute a default under the Bond Loan Documents and the Reimbursement Agreement.

Nothing contained in this Section 7.1 is intended to amend or modify any of the provisions of the Bond Financing Documents or to bind the Issuer, the Trustee, the Servicer or the Credit Facility Provider to any notice and cure periods other than as expressly set forth in the Bond Financing Documents.

Section 7.2 Remedies on Default. Subject to Section 7.6 hereof and, following the Conversion Date, provisions of the Intercreditor Agreement, whenever any Event of Default hereunder shall have occurred and be continuing, the Trustee or the Issuer where so provided may take any one or more of the following remedial steps:

(a) The Issuer shall cooperate with the Trustee as the Trustee acts pursuant to Section 6.02 of the Indenture.

(b) In the event any of the Bonds shall at the time be Outstanding and not paid and discharged in accordance with the provisions of the Indenture, the Issuer or the Trustee may have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(c) The Issuer or the Trustee may, without being required to give any notice (other than to the Issuer or the Trustee, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(d) The Issuer or Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments due under this Financing Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Financing Agreement.

Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of and interest and any premium (if any) on the Bonds collected pursuant to action taken under this Section 7.2 shall be applied in accordance with the provisions of the Indenture.

The provisions of this Section 7.2 are subject to the further limitation that if, after any Event of Default hereunder all amounts which would then be payable hereunder by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and the Borrower shall have also performed all other obligations in respect of which it is then in default hereunder, and shall have paid the reasonable charges and expenses of the Issuer, the Trustee, and following the Conversion Date, the Servicer and the Credit Facility Provider, including reasonable attorneys' fees paid or incurred in connection with such default, and shall have paid all amounts then due to the Credit Facility Provider, including, but not limited to, any Freddie Mac Reimbursement Amounts and Freddie Mac Credit Enhancement Fees, and if there shall then be no default existing under the Indenture, then and in every such case such Event of Default hereunder shall be waived and annulled, but no such waiver or annulment shall affect any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.3 No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required by this Financing Agreement.

Section 7.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Financing Agreement and the Issuer, the Trustee, and following the Conversion Date, the Servicer or the Credit Facility Provider, should employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in this Financing Agreement or in the Bond Note, the Borrower shall on demand therefor reimburse the fees of such attorneys and such other expenses so incurred.

Section 7.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Financing Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.6 Rights of Credit Facility Provider. Notwithstanding anything herein to the contrary, following the Conversion Date, as long as a Wrongful Dishonor has not occurred with respect to the Credit Facility, none of the Issuer, the Trustee or any other person shall, upon the occurrence of an Event of Default hereunder or an event of default under any other Bond Financing Document, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Loan, except at the written direction of the Credit Facility Provider; provided that this prohibition shall not be construed to limit the rights of the Issuer or the Trustee to specifically enforce the Tax Certificate and the Regulatory Agreement in order to provide for operation of the Project in accordance with the Code and the laws of the State, including the Act; and provided further that this prohibition shall not be construed to limit the rights of the Issuer, the Trustee, the Servicer, the Credit Facility Provider or any indemnified party under Section 6.1 hereof to enforce its rights against the Borrower under Sections 2.4, 2.5, 4.2, 4.3, 6.1 and 7.4 hereof by mandamus or other suit, action or proceeding at law or in equity where such suit, action or proceeding does not seek any remedies under or with respect to the Bond Mortgage or cause acceleration of the Bond Loan.

Section 7.7 Equity Investor Notice and Cure Rights. Notwithstanding anything herein to the contrary, any cure of an Event of Default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower (but only if and to the extent a cure right is provided to the Borrower for any such Event of Default) and shall be accepted or rejected on the same basis as if made or tendered by the Borrower. Whenever in this Financing Agreement the giving of notice for an Event of Default is required, a courtesy copy of such notice shall be delivered by Issuer or Trustee to:

Investor Member:	Hudson RGC2 Northwest 4 LLC c/o Hudson Housing Capital LLC 630 Fifth Avenue, 28th Floor New York, New York 10111 Attention: Joseph A. Macari Fax No.: (212) 218-4467
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Special Member:

Hudson SLP LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

With copies to:

Bocarsly Emden Cowan Esmail &
Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, California 90071
Attention: Craig A. Emden
Fax No.: (213) 559-0747

provided, however, that any failure to provide such courtesy copy notice will not affect the validity or sufficiency of any notice to Borrower, will not affect the Issuer's, the Trustee's or following the Conversion Date, the Credit Facility Provider's rights and remedies under this Financing Agreement or under any other Bond Financing Documents, nor subject the Issuer, the Trustee or following the Conversion Date, the Credit Facility Provider to any claims by or liability to Equity Investor.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Notices.

(a) Whenever in this Financing Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Issuer, the Trustee, the Borrower, the Credit Facility Provider or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth in Section 11.05 of the Indenture or upon receipt of such notice or other communication delivered by facsimile transmission as required or permitted by this Financing Agreement (receipt of which shall be evidenced by confirmation of transmission). The Issuer, the Trustee, the Borrower or the Credit Facility Provider or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Credit Facility Provider and a duplicate copy of each notice or other communication given hereunder by any party to the Credit Facility Provider shall be given to the Servicer.

The Trustee agrees to accept and act upon facsimile transmission or Electronic Notice of written instructions and/or directions pursuant to this Financing Agreement.

(b) The Trustee shall provide to the Credit Facility Provider and the Servicer (i) prompt notice of the occurrence of any Event of Default hereunder and (ii) any written information or other communication received by the Trustee hereunder within ten (10) Business Days of receiving a written request from the Credit Facility Provider for any such information or other communication.

Section 8.2 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Financing Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Financing Agreement shall bind its successors and assigns and inure to the benefit

of the successors and assigns of the Issuer, the Trustee, the Servicer and the Credit Facility Provider.

Section 8.3 Governing Law. This Financing Agreement and the Exhibits attached hereto shall be construed in accordance with and governed by the laws of the State (without giving effect to conflict of laws principles).

Section 8.4 Modifications in Writing. Modification or the waiver of any provisions of this Financing Agreement or consent to any departure by the parties therefrom, shall in no event be effective unless the same shall be in writing approved by the parties hereto (and, following the Conversion Date, shall require the prior written consent of the Credit Facility Provider) and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given and so long as the interests of any Bondholders are not adversely affected and the Trustee consents in writing thereto. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

Section 8.5 Further Assurances and Corrective Instruments. The Issuer, the Trustee and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required (including such supplements or further instruments reasonably requested by the Credit Facility Provider following the Conversion Date) for correcting any inadequate or incorrect description of the performance of this Financing Agreement.

Section 8.6 Captions. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Financing Agreement.

Section 8.7 Severability. The invalidity or unenforceability of any provision of this Financing Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 8.8 Counterparts. This Financing Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.9 Amounts Remaining in Bond Fund or Other Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund or other funds and accounts established under the Indenture upon expiration or sooner termination of the term hereof, shall be paid in accordance with the Indenture.

Section 8.10 Effective Date and Term. This Financing Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in full force from the date hereof, and, subject to the provisions hereof, shall expire on such date as the Indenture shall terminate.

Section 8.11 Cross References. Any reference in this Financing Agreement to an "Exhibit," an "Article," a "Section," a "Subsection" or a "Paragraph" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Financing Agreement, an article of this Financing Agreement, a section of this Financing Agreement, a

subsection of the section of this Financing Agreement in which the reference appears and a paragraph of the subsection within this Financing Agreement in which the reference appears. All exhibits attached to or referred to in this Financing Agreement are incorporated by reference into this Financing Agreement.

Section 8.12 Credit Facility Provider and Servicer as Third-Party Beneficiaries.

The parties hereto agree and acknowledge that, following the Conversion Date, the Credit Facility Provider and the Servicer will be third party beneficiaries of this Financing Agreement.

Section 8.13 Credit Facility Provider References. Prior to Conversion, the Credit Facility Provider shall be entitled to receive all notices and request information from the Trustee as herein provided. Following Conversion, all references herein to the rights of the Credit Facility Provider and the Servicer shall be of no force and effect upon and during the continuance of any Wrongful Dishonor.

Section 8.14 Non-Liability of Issuer. All obligations of the Issuer incurred under the Indenture or in connection with the issuance of the Bonds shall be limited obligations of the Issuer, payable solely and only from Bond proceeds, revenues and other amounts derived by the Issuer from the Trust Estate. The Bonds shall be payable solely from the revenues and other funds and property pledged under the Indenture for the payment of the Bonds, and no owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body thereof, nor to enforce the payment thereof against any property of the State or any such political subdivision or other public body, including the Issuer except as provided in the Indenture.

It is expressly understood and agreed by the parties to this Financing Agreement that:

(a) The Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, any Bondholder or the Owner as to the existence of a fact or state of affairs required hereunder to be noticed by the Issuer.

(b) The Issuer shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Trustee or the Borrower.

(c) None of the provisions of this Financing Agreement shall require the Issuer to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred thereby.

The Borrower hereby acknowledges that the Issuer's sole source of money to repay the Bonds will be provided by the payments made by the Borrower pursuant to this Financing Agreement, together with investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or redemption price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any

deficiency or default in the payment of such principal (or redemption price or purchase price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

Section 8.15 No Liability of Officers. No recourse under or upon any obligation, covenant, or agreement or in any Bonds, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, director, commissioner, employee, agent or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Owner of any Bonds, of any sum that may be due and unpaid by the Issuer upon any of the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, commissioner, employee, agent or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Owner of any Bonds, of any sum that may remain due and unpaid upon the Bonds or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Financing Agreement and the issuance of the Bonds.

Section 8.16 Capacity of the Trustee. The Trustee is entering into this Financing Agreement solely in its capacity as Trustee and shall be entitled to the rights, protections, limitations from liability and immunities afforded it as Trustee under the Indenture. The Trustee shall be responsible only for the duties of the Trustee expressly set forth herein and in the Indenture.

Section 8.17 Reliance. The representations, covenants, agreements and warranties set forth in this Financing Agreement may be relied upon by the Issuer, the Trustee, Bond Counsel, and following the Conversion Date, the Servicer and the Credit Facility Provider. In performing their duties and obligations under this Financing Agreement and under the Indenture, the Issuer and the Trustee may rely upon statements and certificates of the Borrower, upon certificates of tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Trustee under this Financing Agreement and under the Indenture in good faith and in conformity with the opinion of such counsel. It is expressly understood and agreed by the parties to this Financing Agreement (other than the Issuer) that:

(a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, any Bondholder or the Borrower as to the existence of a fact or state of affairs required under this Financing Agreement to be noticed by the Issuer;

(b) the Issuer shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to

be performed by the Trustee, the Credit Facility Provider, the Servicer or the Borrower, as applicable; and

(c) none of the provisions of this Financing Agreement shall require the Issuer or the Trustee to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Financing Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Financing Agreement, all as of the date first set forth above.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

[ISSUER'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – NW4
FINANCING AGREEMENT]

DMFIRM #413731628

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Matthew Maselko, Vice President

[TRUSTEE'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – NW4
FINANCING AGREEMENT]

DMFIRM #413731628

RGC2 NORTHWEST 4 OWNER LLC, a Virginia limited liability company

By: RGC2 Northwest 4 MM LLC, a Delaware limited liability company, its managing member

By: _____
Russell Condas, Vice President

[BORROWER'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – NW4
FINANCING AGREEMENT]

DMFIRM #413731628

EXHIBIT A

FORM OF BOND NOTE

**Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project)
Series 2024A and Series 2024B**

MULTIFAMILY NOTE

US \$[19,350,000]

October [31], 2024

FOR VALUE RECEIVED, the undersigned, RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), promises to pay to the order of the Fairfax County Redevelopment and Housing Authority (the “Issuer”), and its assigns, the principal sum of [NINETEEN MILLION THREE HUNDRED FIFTY THOUSAND] DOLLARS (US \$[19,350,000].00), plus premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This Note is issued pursuant to that certain Financing Agreement dated as of October 1, 2024, among the Issuer, The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) and the Borrower (together with any and all amendments, modifications, supplements and restatements, the “Financing Agreement”) pursuant to which the Issuer has made a loan in the principal amount of this Note to the Borrower (the “Bond Loan”), and this Note is entitled to the benefits of the Financing Agreement and subject to the terms, conditions and provisions thereof. The Bond Loan was funded with proceeds from the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A and the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B (collectively, the “Bonds”) issued pursuant to the Trust Indenture dated as of October 1, 2024 (the “Indenture”) between the Issuer and the Trustee.

1. **Defined Terms.** As used in this Note, (i) the term “Lender” means the holder of this Note, and (ii) the term “Indebtedness” means the principal of, premium, if any, and interest on or any other amounts due at any time under this Note. “Event of Default” and other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Financing Agreement or the Indenture.

2. **Payments of Principal and Interest.** All payments under this Note shall be due on, and shall be made on dates, in amounts, at times and in a manner which corresponds with the Issuer’s obligation to make or provide for payments under the Bonds, and to that end, the Borrower agrees to make payments under this Note at all times in amounts sufficient to enable the Trustee, on behalf of the Issuer, to make timely payment, when due, of the principal of, premium, if any, on, and interest on, the Bonds, whether at maturity, by acceleration, on redemption, mandatory tender or otherwise, all as provided in the Bonds and in the Indenture.

Following the Conversion Date, the Borrower's repayment obligations under the Financing Agreement and this Note shall be reduced from time to time by and to the extent of any amounts drawn under the Credit Facility (as defined in the Indenture) and applied to the payment of debt service on the Bonds, provided that such reductions shall be credited only at the times and to the extent the Borrower has reimbursed the Credit Facility Provider (as defined in the Indenture) fully for such amounts.

The outstanding principal hereof is subject to acceleration at the same time or times and under the same terms and conditions, and with the same notice, if any, as provided under the Indenture for the acceleration of payment of the Bonds. Notwithstanding anything to the contrary contained herein or the Financing Agreement, the payments in respect of the Bond Loan evidenced hereby shall be sufficient to pay, when due (whether at stated maturity, upon redemption or mandatory tender before maturity, upon acceleration of stated maturity or otherwise), the principal of and premium, if any, and interest on the Bonds at any time outstanding.

3. **Payment of Fees and Expenses; Other Required Payments.** The Borrower shall also pay fees and expenses under Section 4.2 of the Financing Agreement, rebate amounts under Sections 2.4 and 4.3 of the Financing Agreement, indemnification amounts under Section 6.1 of the Financing Agreement, attorney fees and other expenses under Section 7.4 of the Financing Agreement, as well as any other amounts owed under the Financing Agreement, when due and in accordance with the terms and provisions set forth therein.

4. **Manner of Payment; Deficiencies.** All payments under this Note shall be made in lawful currency of the United States and in immediately available funds. The Borrower shall make its payments under this Note in Eligible Funds if and to the extent that the Indenture, the Financing Agreement or this Note requires such amount to be available to the Trustee in Eligible Funds. In the event of any deficiency in the funds available under the Indenture for payment of the principal of, premium, if any, or interest on the Bonds when due, the Borrower shall immediately pay the amount of the deficiency to the Trustee upon notice of the deficiency from the Issuer, the Servicer or the Trustee. The Borrower shall be obligated to pay the deficiency regardless of the reason for the deficiency, including any deficiency resulting from any shortfall in payments made or to be made by the Borrower under this Note, any loss due to a default under any investment held by the Trustee, a change in value of any such investment or otherwise.

5. **Application of Payments.** If at any time the Lender receives, from the Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Lender, in the Lender's discretion. The Borrower agrees that neither the Lender's acceptance of a payment from the Borrower in an amount that is less than all amounts then due and payable nor the Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

6. **Security.** On and after the Conversion Date, the Indebtedness will be secured by, among other things, a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the "Bond Mortgage"). Reference is made to the Bond Mortgage for other rights of the Lender as to collateral for the Indebtedness.

7. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note shall at once become due and payable, at the option of the Lender, as governed by the Indenture, without any prior notice to the Borrower. The Lender may exercise this option to accelerate regardless of any prior forbearance.

8. **Limits on Personal Liability.** Except as otherwise provided in Section 5.1 of the Financing Agreement, payments under this Note are a nonrecourse obligation of the Borrower and the Lender's only recourse for the satisfaction of the Indebtedness shall be the Lender's exercise of its rights and remedies with respect to the Project and any other collateral held by the Lender as security for the Indebtedness. This limitation on the Borrower's liability shall not limit or impair the Lender's enforcement of its rights against any guarantor of the Indebtedness or any guarantor of any obligations of the Borrower.

9. **Prepayment.** This Note is subject to prepayment as specified in the Financing Agreement and the Indenture.

10. **Costs and Expenses.** The Borrower shall pay all expenses and costs, including fees and out-of-pocket expenses of attorneys, and fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by the Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Bond Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or nonjudicial foreclosure proceeding.

11. **Forbearance.** Any forbearance by the Lender in exercising any right or remedy under this Note or any other document evidencing or securing the Bond Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Lender of any security for the Borrower's obligations under this Note shall not constitute an election by the Lender of remedies so as to preclude the exercise of any other right or remedy available to the Lender.

12. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Borrower and all endorsers and guarantors of this Note and all other third-party obligors.

13. **Loan Charges.** If any applicable law limiting the amount of interest or other charges permitted to be collected from the Borrower in connection with the Bond Loan is interpreted so that any interest or other charge provided for herein or in any other document evidencing or securing the Bond Loan, whether considered separately or together with other charges provided for in any such other document, violates that law, and the Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation.

14. **Commercial Purpose.** The Borrower represents that the Indebtedness is being incurred by the Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household purposes.

15. **Governing Law.** This Note shall be governed by the law of the Commonwealth of Virginia (the "Property Jurisdiction").

16. **Captions.** The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

17. **Address for Payment.** All payments due under this Note shall be payable at the principal office of the Trustee as designated in the Indenture, or such other place as may be designated by written notice to the Borrower from or on behalf of the Lender.

18. **Consent to Jurisdiction and Venue.** The Borrower agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction in which the Project is located. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. The Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

19. **Waiver of Trial by Jury.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE BORROWER AND THE LENDER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS THE LENDER AND THE BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. EACH PARTY SEPARATELY GIVES THIS WAIVER OF RIGHT TO TRIAL BY JURY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

20. **Assignment.** The Borrower acknowledges that this Note is being assigned by the Issuer to the Trustee for the Bonds.

[Signature page follows]

IN WITNESS WHEREOF, the Borrower has signed and delivered this Note or has caused this Note to be signed and delivered by its duly authorized representative.

RGC2 NORTHWEST 4 OWNER LLC, a Virginia limited liability company

By: RGC2 Northwest 4 MM LLC, a Delaware limited liability company, its managing member

By: _____
Russell Condas, Vice President

ASSIGNMENT

Pay to the order of The Bank of New York Mellon Trust Company, N.A., without recourse or warranty, as Trustee under the Indenture referred to in the attached Note.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

BALLARD DRAFT 10/11/2024

Return to:

**Ballard Spahr LLP
1909 K Street, NW, 12th Floor
Washington, DC 20006
Attention: Jeffrey S. Ballard, Esq.**

LAND USE RESTRICTION AGREEMENT

By and Among

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY,
as Issuer,**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee,**

and

**RGC2 NORTHWEST 4 OWNER LLC
as Owner**

Dated as of October 1, 2024

**Executed as Part of the Proceedings
for the Authorization and Issuance of:**

[\$13,220,000]

**Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 – NW4 Project)
Series 2024A**

and

[\$6,130,000]

**Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 – NW4 Project)
Series 2024B**

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EXHIBITS

- EXHIBIT A – LEGAL DESCRIPTION
- EXHIBIT B – INCOME CERTIFICATION
- EXHIBIT C – CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE
- EXHIBIT D – FREDDIE MAC RIDER TO LAND USE RESTRICTION AGREEMENT

LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (the “**Agreement**”) is made and entered into as of October 1, 2024, by and among the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY** (the “**Issuer**”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, in its capacity as trustee under the Indenture (as hereinafter defined) (the “**Trustee**”), and **RGC2 NORTHWEST 4 OWNER LLC**, a Virginia limited liability company, together with any successor thereto permitted under Section 9 hereof and any future owner of the Project during the Term of this Agreement as defined herein (the “**Owner**”).

RECITALS

WHEREAS, the Issuer is issuing its \$[13,220,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A (the “**Series A Bonds**”) and its \$[6,130,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B (the “**Series 2024B Bonds**” and together with the Series A Bonds, the “**Bonds**”) pursuant to the Trust Indenture dated as of October 1, 2024 (the “**Indenture**”) between the Issuer and the Trustee to (1) finance or reimburse a portion of the costs of the acquisition, construction and equipping of a seventy-four (74) unit affordable rental housing project to be known as Residences at Government Center 2 – NW4 (the “**Project**”), located in Fairfax County at 12040 Government Center Parkway, Fairfax, Virginia 22035, to be occupied by persons of low or moderate income in compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “**Code**”), which Project is comprised of residential units and associated parking, (2) fund capitalized interest and related reserves, if any, and (3) pay costs of issuance of the Bonds;

WHEREAS, the Owner has a leasehold interest in the Premises comprising the Project as further described in the Deed of Lease dated as of [____], 2024, by and between the Issuer as landlord and the Owner as tenant (as further amended, supplemented or restated, the “**Ground Lease**”), and the Declaration of Condominium for Residences at Government Center II North Land Condominium dated as of [____], 2024 (the “**Declaration**”), and which are situated on the property further described in **Exhibit A** hereto;

WHEREAS, the Issuer is making a loan (the “**Loan**”) of the proceeds of the Bonds to the Owner pursuant to the terms of a Financing Agreement dated as of October 1, 2024 (the “**Financing Agreement**”) among the Issuer, the Trustee and the Owner;

WHEREAS, Capital One, National Association, a national banking association (the “**Construction Lender**”), has agreed to provide a separate construction loan (the “**Construction Loan**”) to the Borrower, the proceeds of which shall be advanced pursuant to the Construction Loan Documents and a portion thereof deposited in the Collateral Fund held by the Trustee under the Indenture to permit a like amount of Bond proceeds to be released to finance a portion of the costs of the acquisition, construction and equipping of the Project. The Construction Lender will administer the Construction Loan during the Construction Phase in accordance with the Construction Loan Documents;

WHEREAS, the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) has entered into a forward commitment with Capital One, National Association, as servicer to Freddie Mac (in such capacity, the “**Servicer**”) dated October [], 2024 (the “**Freddie Mac Commitment**”), whereby Freddie Mac has committed, subject to the satisfaction of certain conditions set forth in the Freddie Mac Commitment (the “**Conditions to Conversion**”), to facilitate financing of the Project during the Permanent Phase following completion of construction and stabilization of the Project, by providing its credit enhancement with respect to the Series A Bonds Outstanding following the Conversion Date (as defined herein) for the Loan pursuant to a Credit Enhancement Agreement to be entered into between the Trustee and Freddie Mac on the date to be identified by the Servicer for conversion of the Project to the Permanent Phase after the Conditions to Conversion have been satisfied (the “**Conversion Date**”);

WHEREAS, except as provided herein, the Issuer has required as a condition to the disbursement of proceeds of the Bonds pursuant to the Indenture that the Owner execute, deliver and record in the official land records of Fairfax County, Virginia, this Agreement to create certain covenants running with the Land for the purpose of preserving the tax-exempt status of interest on the Bonds by regulating and restricting the use and occupancy of the Project as set forth herein;

WHEREAS, the Owner, under this Agreement, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use and occupancy of the Project shall be covenants running with the Land, encumbering the Land for the term stated herein and binding upon all subsequent owners of the Land for such term, and are not merely personal covenants of Owner; and

NOW, THEREFORE, in consideration of the premises set forth hereinabove, the consideration recited in Section 2 hereof, the mutual covenants set forth hereinafter, ten dollars in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions and Interpretation. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, (a) all capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Indenture, which meanings are hereby incorporated herein by reference, or, if not defined in the Indenture, shall have the meanings ascribed thereto in the Financing Agreement, which meanings are hereby incorporated herein by reference, in each case as fully as if such meanings were set forth herein in their entirety, (b) the terms defined in the premises hereinabove shall have such respective meanings set forth hereinabove for the purposes of this Agreement, and (c) the following terms shall have the respective meanings set forth below for all purposes of this Agreement:

“Act” means the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended.

“Adjusted Household Income” means that annual income which does not exceed, with respect to the occupants of Units required to be occupied by Lower-Income Tenants pursuant to Section 7 hereof, the maximum annual income specified in the definition of “Lower-Income Tenants” herein determined in a manner consistent with determinations of

lower-income families under Section 8 of the United States Housing Act of 1937, as amended and in accordance with Section 142(d) of the Code, and adjusted for family size.

“Affiliate” means (a) any general partner of a partnership or joint venture with the Owner, (b) any member of the Owner or the owner of any shares of stock in a corporate Owner or a corporate general partner of a partnership or joint venture Owner, (c) any general partner of any partnership which is a general partner of an Owner or a general partner of such general partner, and (d) any other person or entity which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, an Owner or any of the foregoing. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting stock, by contract or otherwise.

“Bonds” means the Issuer’s \$[13,220,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A and \$[6,130,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto, as in effect on the date in question, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto or with respect to any predecessor statute by the United States Department of the Treasury or the Internal Revenue Service. All references herein to sections, paragraphs or other subdivisions of the Code or the regulations promulgated thereunder shall be deemed to be references to correlative provisions of any successor code or regulations promulgated thereunder.

“Compliance Certificate” means a Certificate of Continuing Program Compliance substantially in the form of Exhibit C hereto, as such form may be revised by the Issuer from time to time upon the advice of Bond Counsel.

“Condominium Regime” means that certain condominium regime established pursuant to the Declaration by Issuer, the Owner, RGC2 Northeast 9 Owner LLC and RGC2 Northwest 4 Owner LLC.

“Condominium Unit” means the condominium units comprising the Project as such units are further described in the Declaration, and which condominium units are owned by Owner.

“Conversion Date” has the meaning set forth in the Recitals.

“Costs of Issuance” means, with respect to the Bonds, all expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, underwriters’ spread, discount or commission, counsel fees (including Bond Counsel, Owner’s counsel to the extent applicable to the issuance of the Bonds, Issuer’s counsel, counsel to the Trustee, as well as any other similar specialized counsel fees), financial advisor fees relating to the sale of the Bonds, rating agency fees, Trustee

fees, paying agent fees, accountant fees related to issuance of the Bonds, printing costs, costs incurred in connection with the required public approval process and all other fees or expenses constituting “costs of issuance” within the meaning of Section 147(g) of the Code.

“Determination of Taxability” means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond is or was includable in the gross income of a Holder of the Bonds for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose unless the Borrower and the Issuer have been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Holder of a Bond, and until the conclusion of any appellate review beyond all applicable appeals periods, if sought.

“Event of Default” has the meaning ascribed thereto in Section 13(a) hereof.

“Functionally Related and Subordinate” means facilities for use by tenants of the Project, including parking areas, and other facilities which are reasonably required for the Project, such as heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance personnel.

“Ground Lease” means that certain Deed of Lease dated as of [____], 2024, by and between the Issuer as landlord and the Owner as tenant, as further amended, supplemented or restated.

“HUD” means the United States Department of Housing and Urban Development, or any federally created successor thereto.

“Income Certification” means an Income Certification substantially in the form of Exhibit B hereto, as such form may be revised by the Issuer from time to time upon the advice of Bond Counsel and with notice to the Owner.

“Issuance Date” means the date of initial issuance and delivery of the Bonds which is October [31], 2024.

“Land” means the real property described in Exhibit A attached hereto.

“Loan” means the loan in the original principal amount of \$[19,350,000] made by the Issuer to the Owner pursuant to the Financing Agreement and evidenced by the Note.

“Financing Agreement” means the Financing Agreement dated as of October 1, 2024, between the Owner, the Trustee and the Issuer, setting forth the terms of the Loan, as such agreement may be supplemented and amended.

“Lower-Income Tenants” means individuals or families of low or moderate income satisfying the maximum Adjusted Household Income requirements in order for the Project to qualify as a “qualified residential rental project” within the meaning of Section 142(d)

of the Code and applicable regulations thereunder, which require that the Adjusted Household Income (determined in a manner consistent with determinations of area median gross income under Section 8 of the United States Housing Act of 1937, as amended, which determinations shall include adjustments for family size) of all occupants of a dwelling Unit will not exceed 60% of the Median Income for the applicable family size. Occupants will not fail to be treated as Lower Income Tenants merely because such occupants are or will be full-time students during five calendar months of the calendar year at an educational institution (other than a correspondence school) with regular faculty and students, provided such students in the unit (1) are receiving assistance under title IV of the Social Security Act (including AFDC/TANF) or the Job Training Partnership Act or under similar Federal, State, or local laws, or were previously under the care and placement responsibility of the State agency responsible for administering a plan under Part B or part E of title IV of the Social Security Act (foster care assistance), or (2) are married and entitled to file a joint return, or (3) are single parents and their children, and neither the parent nor the children are dependents of another taxpayer. The determination of a tenant's status as a tenant shall be made by the Owner upon initial occupancy of a unit in the Project by such Lower-Income Tenant and annually thereafter, on the basis of an Income Certification executed by the tenant.

“Median Income” means the area median gross income for the Washington, D.C. Metropolitan Statistical Area, as determined from time to time by HUD in a manner consistent with determinations of area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or if such program is terminated, under such program as in effect immediately before such termination).

“Occupancy Date” means the later of the Issuance Date or first date on which at least 10% of the Units in the Project are first occupied.

“Owner” means RGC2 Northwest 4 Owner LLC, a Virginia limited liability company, together with any successor thereto permitted in accordance with Section 9 hereof and any future owner of the Project during the Term of this Agreement.

“Project” means the seventy-four (74)-unit affordable multifamily rental housing project to be known as Residences at Government Center 2 – NW4, located in Fairfax County at 12040 Government Center Parkway, Fairfax, Virginia, which will be operated and maintained in compliance with this Agreement.

“Qualified Project Costs” means costs of the Project that are incurred for the purpose of constructing and equipping a project for residential rental property and facilities Functionally Related and Subordinate thereto, within the meaning of Section 142(d) of the Code and Section 1.103-8 of the Regulations, as the same may be amended from time to time, and only to the extent that such costs are chargeable to the Project's capital account or could be so chargeable either with a proper election by the Owner or but for a proper election by the Owner to deduct such costs, within the meaning of Section 1.103-8(a)(1) of the Regulations.

“Qualified Project Period” means that period, beginning on the Occupancy Date and ending on the latest of (a) the date which is fifteen (15) years after the first date on which at least 50% of the Units in the Project are or were first occupied, (b) the first day on which no tax-exempt “private activity bond” (within the meaning of Section 141(a) of the Code) (including the Bonds or any tax-exempt refunding bonds) issued with respect to the Project is outstanding, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates.

“Qualified Unit” shall mean a residential Unit in the Project occupied by or held available for occupancy by Lower-Income Tenants.

“Regulation” or “Regulations” or “Treasury Regulations” means the temporary, proposed or final Income Tax Regulations promulgated by the United States Department of the Treasury and applicable to the Bonds.

“State” shall mean the Commonwealth of Virginia.

“Tax Certificate” means the Tax Compliance Agreement and Arbitrage Certificate dated the Issuance Date between the Issuer and the Owner.

“Tax Requirements” shall mean, collectively, the applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code and other Sections of the Code (including, without limitations, Sections 103, 141, 146, 147, 148, 149 and 150), if applicable to the Project or the Bonds or both.

“Term of this Agreement” shall mean the term determined pursuant to Section 11 hereof.

“Unit” or “Units” shall mean dwelling units within the Project meeting the requirements of this Agreement and made available for rental, and not ownership, by tenants who are members of the general public, each of which shall be a self-contained housing unit with complete living, sleeping, eating, cooking and sanitation facilities for a single person or a family, and which are to be used other than on a transient basis. The Units shall at all times be constructed and maintained in substantial accordance with applicable building code standards of Fairfax County, Virginia.

Unless the context clearly requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof, and shall never be considered or given

any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Consideration. The Issuer has issued the Bonds in order to provide moneys to make the Loan. In consideration of the disbursement of proceeds of the Loan pursuant to the Indenture, the Owner has entered into this Agreement, has agreed to comply fully with the provisions hereof, has granted to the Trustee and the Issuer the enforcement rights set forth in Section 13 hereof, and has knowingly waived certain rights as stated in Section 13 hereof intending to be legally and irrevocably bound by such waiver. The Owner acknowledges and agrees that essential parts of the consideration bargained for by the Issuer are the Owner's agreement to comply fully with the provisions of this Agreement and the availability of the enforcement rights and remedies set forth herein (including, without limitation, in Section 13 hereof) and other legal or equitable remedies. The Owner hereby agrees that, because the injury to the Issuer, the holders of the Bonds and others relying hereon arising from an Event of Default under this Agreement by the Owner could not be compensated for by monetary damages or by the remedies at law available to the Issuer or the Trustee, which would be wholly inadequate to implement the Issuer's public purposes under the Act and to maintain the tax-exempt status of interest on the Bonds, upon an Event of Default hereunder, the granting of equitable performance relief in the form of specific performance of this Agreement, or an injunction against any violation of this Agreement, or the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, or other equitable remedies, or any combination of the foregoing would be necessary and appropriate. In consideration of its appointment as Trustee under the Indenture and the fees to be paid to the Trustee in accordance with the Indenture, the Trustee has entered into this Agreement and has agreed to perform its obligations hereunder.

Section 3. Recording and Filing; Covenants to Run With the Land.

(a) Prior to or simultaneously with the disbursement of moneys under the Indenture, the Owner shall cause this Agreement and thereafter shall cause any amendments and supplements hereto to be recorded and filed in the official public land records of Fairfax County, Virginia and shall pay all fees and charges incurred in connection therewith.

(b) The Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the Term of this Agreement, that this Agreement and the covenants, restrictions and charges set forth in this Agreement regulating and restricting the use and occupancy of the Land and the Project (i) shall be covenants running with the Land, encumbering the Project, for the Term of this Agreement, binding upon the Owner's successors in title and all subsequent owners and operators of the Project, including any purchaser, grantee, owner or lessee (other than tenants in the ordinary course) of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner or lessee of any portion of the Project and any other person or entity having any right, title or interest therein, for the Term of this Agreement, (ii) are not merely personal covenants of the Owner, and (iii) shall bind the Owner (and the benefits shall inure to the Issuer and the Trustee) and its (their) respective successors and assigns during the Term of this Agreement. The Issuer, the Owner and the Trustee hereby declare their understanding and intent that the burden of the covenants set forth herein touches and concerns the land in that the Owner's legal interest in the Project is rendered

less valuable thereby. The Issuer, the Owner and the Trustee hereby further declare their understanding and intent that the benefit of such covenants touches and concerns the land by enhancing and increasing the enjoyment and use of the Project by Lower-Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued. The Owner, the Trustee and the Issuer hereby agree that any and all requirements of the laws of the State to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to ensure that these restrictions run with the land. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (other than a lease to a tenant in the ordinary course) during the Term of this Agreement shall contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

Section 4. Reliance and General Tax Covenants.

(a) The Issuer, the Trustee and the Owner hereby recognize and agree that the representations and covenants set forth herein will be relied upon by the Issuer, the Trustee, Bond Counsel and all persons interested in the legality and validity of the Bonds and in the excludability from gross income for purposes of federal income taxation of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee and their employees and agents may conclusively rely upon statements and certificates of the Owner and Lower-Income Tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the Issuer and the Trustee may consult with counsel, and the written opinion of such counsel addressed to the Issuer, the Owner and the Trustee shall be full and complete authorization and protection with respect to any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Owner may rely upon certificates of Lower-Income Tenants that are reasonably believed to be genuine and to have been executed by the proper person or persons.

(b) The Issuer and the Owner each independently agrees that it will not take or permit, or omit to take or cause to be taken, as is appropriate, any action within its control that would adversely affect the excludability from gross income of the interest on the Bonds for federal income tax purposes and that, if it should take or permit any such action, it shall take all lawful actions that it can take to rescind such actions promptly upon having knowledge thereof. The Issuer and the Owner each independently agrees that it will take all actions within its control including, without limitation, amendment of the documents and agreements relating to the Bonds and the Project to which it is a party, as may be necessary, in the written opinion of Bond Counsel filed with the Issuer, the Owner and the Trustee, to comply fully with all applicable rules, rulings, regulations, policies, procedures or other official statements promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142(d) of the Code.

(c) The Issuer and the Owner each independently agrees that it will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer, the Owner and the Trustee, in order to ensure that the requirements and restrictions of this Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Agreement (and any amendments hereto) in the real property records of Fairfax County, Virginia.

(d) Certain provisions of this Agreement refer to or incorporate by reference provisions from the Indenture or the Financing Agreement, copies of which shall be obtained by any Owner hereunder by requesting the same from the Issuer or the Trustee.

Section 5. Ownership of the Project. The Owner hereby represents, covenants and agrees that it will own, construct, equip and operate the Project in a manner which complies with the Code and the Tax Requirements.

Section 6. Qualified Residential Rental Project. The Issuer and the Owner hereby declare their understanding and intent that the Project is to be owned, managed and operated as a “qualified residential rental project,” as such phrase is utilized in Section 142(d) of the Code, throughout the Term of this Agreement. To that end, the Owner hereby represents, covenants and agrees as follows throughout the Term of this Agreement:

(a) The Project will be constructed, equipped and operated for the purpose of providing multifamily rental housing, and the Project shall be owned, managed and operated as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, the applicable Treasury Regulations and the other Tax Requirements. At least 95 percent of the net proceeds of the Bonds will be used for Qualified Project Costs.

(b) Except as otherwise permitted by subsection (l) hereof, all of the Units in the Project shall be, and will remain, similarly constructed, and each Unit shall contain complete facilities for living, sleeping, eating, cooking and sanitation for at least a single person.

(c) Except as otherwise permitted by subsection (l), (i) none of the Units in the Project shall at any time be utilized on a transient basis; (ii) none of the Units in the Project shall ever be leased or rented for a period of less than thirty (30) days; and (iii) neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, health club (which shall not be construed to include recreational facilities which are available only to all tenants and their guests), trailer court or park.

(d) (i) All Units in the Project shall be leased and rented or made available for rental on a continuous basis to members of the general public, and (ii) the Owner shall not give preference in renting Units in the Project to any particular class or group of persons, other than Lower-Income Tenants as provided herein; provided, however, an insubstantial number of Units in the Project (which number, if more than 4 Units, shall have been approved by Bond Counsel in writing) may be occupied by maintenance, security or

managerial employees of the Owner or its property manager, which employees must be reasonably necessary for the operation of the Project.

(e) The Owner will not sell, transfer or otherwise dispose of the Project to a cooperative housing corporation unless: (1) the corporation is a limited equity cooperative that is a qualified cooperative housing corporation as defined in Section 143(k) of the Code, and (2) the Owner fully complies with the requirements of Section 9 of this Agreement, including obtaining an opinion of Bond Counsel to the effect that such transfer will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

(f) The Project consists of one or more discrete edifices or other man-made construction, each consisting of an independent foundation, outer walls and roof, all of which are (i) owned by the same "person" (as such term is used in the Code) for federal tax purposes, (ii) located on a common tract of land or two or more tracts of land which are contiguous except for being separated only by a road, street, stream or similar property, and (iii) financed by the Loan or otherwise pursuant to a common plan of financing, and which will consist entirely of:

(i) Units which are similar in quality and type of construction and amenities, and

(ii) facilities Functionally Related and Subordinate in purpose and size to property described above in this paragraph (f), *e.g.*, parking areas, laundries, swimming pools, tennis courts and other recreational facilities (none of which may be unavailable to any person because such person is a Lower-Income Tenant) and other facilities that are reasonably required for the Project, *e.g.*, heating and cooling equipment, trash disposal equipment or Units for residential managers or maintenance personnel.

(g) The Owner may impose additional charges for the use of certain Functionally Related and Subordinate facilities (*e.g.*, recreational facilities) provided all such facilities are available to and affordable by all tenants in the Project on equal terms, no persons who are not tenants or guests of tenants will be permitted to use such facilities and the charges, if any, are reasonable in relation to the use of such facilities.

(h) The Project will not include a Unit in the Condominium Unit unless all Units in such a Condominium Unit are also included in the Project.

(i) The Owner has not and shall not discriminate on the basis of race, creed, religion, color, sex, age or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(j) The Owner will not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, State or local program, but the Owner will not be required to permit more persons to occupy a Unit than may be allowed under local zoning laws, this Agreement or HUD program standards.

(k) The Owner shall submit to the Secretary of the United States Department of the Treasury, with copies to the Issuer and the Trustee, on or before March 31 of each year during the Qualified Project Period the annual certification of compliance in the form, at the time and in the manner required under Section 142(d)(7) of the Code (Internal Revenue Service Form 8703). On or before each February 15 of each year during the Qualified Project Period, the Owner will submit to the Trustee and the Issuer a draft of the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the United States Department of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. The failure of the Owner to submit the required annual compliance certification shall subject the Owner to the penalty provided in Section 6652(j) of the Code.

(l) Notwithstanding anything contained herein to the contrary, any Unit shall not fail to be treated as a unit in a “qualified residential rental project” merely because such unit is a single-room occupancy unit (within the meaning of Section 42(i)(3)(B)(iv) of the Code).

(m) THE OWNER AGREES TO NOTIFY THE TRUSTEE AND THE ISSUER IN WRITING OF ANY EVENT OF DEFAULT BY THE OWNER IN THE PERFORMANCE OR OBSERVANCE OF ANY COVENANT, AGREEMENT, REPRESENTATION, WARRANTY OR OBLIGATION OF THE OWNER KNOWN TO IT SET FORTH IN THIS AGREEMENT, SUCH NOTICE TO BE DELIVERED WITHIN FIVE (5) BUSINESS DAYS OF KNOWLEDGE OF SUCH EVENT OF DEFAULT UNLESS CURED BEFORE TERMINATION OF SUCH NOTICE PERIOD. THE OWNER ALSO SHALL NOTIFY THE TRUSTEE AND THE ISSUER IN WRITING OF ANY EVENT OR CONDITION WHICH WITH THE LAPSE OF TIME OR THE GIVING OF NOTICE, OR BOTH, WOULD CONSTITUTE AN EVENT OF DEFAULT UNDER THIS AGREEMENT, SUCH NOTICE TO BE DELIVERED WITHIN FIVE (5) BUSINESS DAYS OF KNOWLEDGE OF SUCH EVENT OF DEFAULT UNLESS CURED BEFORE TERMINATION OF SUCH NOTICE PERIOD.

Section 7. Lower-Income Tenants. In order to satisfy the requirements of Section 142(d) of the Code, the Owner hereby represents, covenants and agrees that throughout the Term of this Agreement:

(a) Commencing with the Occupancy Date not less than 40% of the Units in the Project at all times throughout the Qualified Project Period shall be rented to and occupied (or held available for rent, if previously rented to and occupied by a Lower-Income Tenant) by Lower-Income Tenants as required by Section 142(d) of the Code. For purposes of satisfying the requirement that not less than 40% of the Units be occupied by Lower-Income Tenants, a Lower-Income Tenant shall continue to qualify as a Lower-Income Tenant if, after admission, the Lower-Income Tenant’s Adjusted Household Income exceeds the applicable qualifying income level set forth in the definition of “Lower-Income Tenant” herein so long as the Adjusted Household Income of such tenant does not exceed one hundred forty percent (140%) of the then current maximum allowable Adjusted Household Income for Lower-Income Tenants of the same family size. If, as of the most recent annual Income Certification, it is determined that the Adjusted Household

Income of a person or family occupying a Qualified Unit exceeds one hundred forty percent (140%) of the then current maximum allowable Adjusted Household Income for Lower-Income Tenants and subsequent to such determination, but before the next determination, any Unit in the Project of which the Unit is a part of comparable or smaller size is rented to persons other than Lower-Income Tenants, then such person or family occupying such Qualified Unit shall no longer qualify as a Lower-Income Tenant. If necessary, the Owner shall refrain from renting dwelling Units in the Project of which the Unit is a part to persons other than Lower-Income Tenants in order to avoid violating the requirement that at all times during the Qualified Project Period not less than 40% of the completed dwelling Units in the Project shall be occupied by Lower-Income Tenants.

(b) If a Unit is vacated by an individual or family who qualified as Lower-Income Tenants, such Unit may continue to be treated as rented to and occupied by Lower-Income Tenants until reoccupied, other than for a temporary period of not more than thirty one (31) days, at which time the character of the Unit shall be re-determined provided that the next available Unit of comparable or smaller size is rented to and occupied by a Lower-Income Tenant.

(c) The Owner shall obtain and maintain on file with respect to each Lower-Income Tenant residing in the Project: (i) a sworn Income Certification from each tenant dated immediately prior to the initial occupancy of such tenant in the Project (and, if the Income Certification was executed by such tenant more than thirty (30) days prior to such tenant's initial occupancy in the Project, the Owner shall require such tenant to recertify the accuracy of the information therein and to provide any updated information necessary in order for the Income Certification to be true and correct as of the date of initial occupancy), in the form and containing such information as may be required by Section 142(d) of the Code (initially substantially in the form attached hereto as **Exhibit B**, as the same may be amended from time to time by the Issuer on the written advice of Bond Counsel), or in such other form and manner as may be required or permitted by the Tax Requirements, and (ii) an annual Income Certification for each tenant for each year of such tenant's occupancy; provided, however, that subsection (ii) shall not apply with respect to the Project for any year if during such year no Unit in the Project is occupied by a new tenant who is not a Lower-Income Tenant. Photocopies of each such initial and annual Income Certification obtained by the Owner during the Term of the Agreement shall be submitted to the Issuer (1) within fifteen (15) days following the end of each such calendar month, which submission shall be together with the Compliance Certificate required under subsection (e) below, and (2) when otherwise requested by the Issuer, which may be as often as may be necessary, in the written opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. The Owner shall make a good-faith effort to determine that the income information provided by an applicant in an Income Certification is accurate.

(d) The Owner shall maintain complete and accurate records pertaining to the Units occupied or to be occupied by Lower-Income Tenants, and shall permit any duly authorized representative of the Trustee, the Issuer, the United States Department of the Treasury, or the Internal Revenue Service to inspect the books and records of the Owner

pertaining to the incomes, the Income Certifications and income substantiation materials of Lower-Income Tenants of the Project upon reasonable notice and at reasonable times.

(e) The Owner shall immediately notify the Issuer and the Trustee if at any time less than 40% of the Units in the Project are not occupied or available for occupancy as provided in subparagraph (a) of this Section 7. The Owner shall prepare and submit to the Issuer and the Trustee not later than the fifteenth (15th) day of each month during the Term of this Agreement, the Compliance Certificate attached as **Exhibit C** executed by the Owner or its management agent stating, among other things, the number of Units of the Project which, as of the first day of such month, in each case, were occupied by Lower-Income Tenants, were deemed to be occupied by Lower-Income Tenants as provided in subparagraph (a) or (b) above, and stating that all Units in the Project are occupied by or held available for rental and that not less than 40% of the Units in the Project are occupied by or held available for rental to Lower-Income Tenants.

(f) The Owner shall prepare and submit to the Issuer and the Trustee within thirty (30) days after each anniversary of the Occupancy Date a certificate executed by the Owner stating: (i) the lowest percentage of the dwelling Units in the Project that were occupied, or held available for occupancy, by Lower-Income Tenants during such period, and (ii) that to its knowledge either (A) no unremedied Event of Default has occurred under either the Financing Agreement or this Agreement, or (B) an Event of Default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Owner to remedy such Event of Default, and (iii) that, to the knowledge of the Owner, no Determination of Taxability has occurred, or if a Determination of Taxability has occurred, summarizing all material facts relating thereto.

(g) Commencing on the date hereof, the form of lease to be used by the Owner in renting any Units in the Project to any Lower-Income Tenants shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Lower-Income Tenant, as applicable, as a result of any material misrepresentation (whether intentional or not) made by such person with respect to his or her income and income verification. Each such lease or rental agreement shall also provide that the tenant's income is subject to annual certification in accordance with Section 7 hereof, and that if the tenant refuses to provide the necessary information for annual certification within 30 days of a written request by the Owner for such information, the tenant will be subject to immediate eviction for failure to provide such information. If upon any such certification such tenant's and all occupants of the household's Adjusted Income exceeds one hundred forty percent (140%) of the applicable income limit for a Lower-Income Tenant of the same family size, such tenant may cease to qualify as a Lower-Income Tenant, but shall not be subject to eviction solely because such tenant ceased to qualify as a Lower-Income Tenant.

(h) The Owner shall determine Lower-Income Tenant income in accordance with HUD regulations and in accordance with regulations, rulings or procedures issued or adopted by the United States Department of the Treasury or the Internal Revenue Service with respect to projects financed pursuant to Section 142(d) of the Code and applicable to the Project.

(i) The Issuer hereby elects in accordance with Section 142(d)(1) of the Code to apply to the Project the occupancy requirements for Lower-Income Tenants set forth in paragraph (a) above of this Section 7, and the Owner hereby irrevocably consents to this election.

(j) All Income Certifications will be maintained on file at the Project as long as this Regulatory Agreement is in effect and for three (3) years thereafter with respect to each Lower-Income Tenant who occupied a Unit in the Project during the Qualified Project Period.

Section 8. Indemnification.

(a) The Owner hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, the Trustee and their respective officers, directors, commissioners, officials and employees in accordance with the provisions of Section 6.1 of the Financing Agreement, which provisions are hereby incorporated by reference and shall be a part hereof as if fully set forth herein.

(b) In addition to the indemnification provided in subsection (a) of this Section 8, the Owner hereby agrees to pay, indemnify and hold the Issuer and the Trustee (or their successors) harmless from any and all reasonable costs, expenses and fees, including all reasonable attorneys' fees, costs and expenses which may be incurred by the Issuer or the Trustee (or their successors) in enforcing or attempting to enforce this Agreement following an Event of Default on the part of the Owner hereunder, whether the same shall be enforced by suit or otherwise or incurred by any such party as a result of such, together with all reasonable costs, fees and expenses which may be incurred in connection with any amendment to this Agreement (or to the Financing Agreement, the Indenture or any other document) or otherwise by the Issuer at the request of the Owner (including the reasonable fees and expenses of Bond Counsel in connection with any opinion to be rendered hereunder). The Owner shall further indemnify the Issuer and the Trustee (or their successors) in connection with any actions to be taken by Bond Counsel, counsel to the Trustee or counsel to the Issuer in connection with any audit, suit, proceeding or inquiry by owners of the Bonds or the Internal Revenue Service regarding the operation of the Project in accordance with this Agreement or the tax-exempt status of the Bonds.

Section 9. Sale, Conveyance or Transfer of Project.

(a) So long as no Event of Default shall have occurred and be continuing hereunder, the Project may be conveyed or otherwise transferred and the transferring Owner shall be released from its obligations under this Agreement from and after the date of such transfer, but only following written notice to the Trustee and the Issuer, and with the prior written consent of the Issuer, provided the following conditions have been satisfied: (i) the new Owner shall unconditionally assume in writing in recordable form all obligations of the Owner under this Agreement from and after the date of such transfer, including, without limitation, an express unconditional covenant to fully comply with all provisions of this Agreement concerning the operation of the Project and the leasing of Units to Lower-Income Tenants, which unconditional assumption shall be in form and substance reasonably satisfactory to Bond Counsel, and which unconditional assumption shall be recorded in the official land records of Fairfax County, Virginia;

(ii) an opinion of counsel of the transferee shall be provided that the transferee has duly assumed the obligations of the Owner under this Agreement and that such obligations and this Agreement are valid and binding on the transferee and enforceable against the transferee in accordance with their terms; and (iii) an opinion of Bond Counsel shall be provided to the effect that such transfer will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

(b) The restrictions contained in subsection (a) of this Section 9 shall not be applicable to any of the following exceptions: (i) any sale, transfer, assignment, encumbrance or addition of any partnership or membership interest in the Owner or any Affiliate (provided that, in such event at least one of the general partners or members of the Owner prior to such event shall remain an Affiliate or a general partner or member of the Owner after such event and the percentage of ownership interest in the Owner shall not change by more than fifty percent (50%)), (ii) grants of utility related easements and service or concession, related leases or easements, including, without limitation, laundry service leases and/or television cable easements, over portions of the Project, provided the same are granted in the ordinary course of business in connection with the operation of the Project as contemplated by this Agreement, (iii) leases of Units to Lower-Income Tenants or other tenants, (iv) any sale or conveyance to a condemning governmental authority as a direct result of a condemnation or a governmental taking or a threat thereof, or (v) any change in allocations of preferred return capital, depreciation or losses or any final adjustments in capital accounts of any partnership or limited liability company Owner (all of which may be freely transferred or adjusted by Owner pursuant to Owner's partnership agreement or operating agreement, as applicable).

(c) Notwithstanding anything to the contrary contained herein, the following transactions are hereby deemed to be expressly permitted hereunder:

(i) the transfer by the Investor Member (as such term is defined in the Amended and Restated Operating Agreement of the Owner (the "Operating Agreement")) of membership interests in the Owner to any other entity which is an affiliate of the Investor Member pursuant to the Operating Agreement;

(ii) the pledge and encumbrance of the interests of the Investor Member to or for the benefit of any financial institution which enables the Investor Member to make its capital contributions to the Owner;

(iii) the transfer by the Investor Member and/or the Special Member of their interests in the Owner in accordance with the terms of the Operating Agreement;

(iv) the removal of the Managing Member of the Owner in accordance with the Operating Agreement and the replacement thereof with the Investor Member, the Special Member or any of their Affiliates;

(v) the transfer of interests in the Investor Member and/or Special Member;

(vi) upon the expiration of the tax credit period, the transfer of the interests of the Investor Member and/or the Special Member to the Managing Member or its Affiliates; and

(vii) any amendment to the Operating Agreement to memorialize the transfers or removal referenced above.

(d) It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project by the Owner in violation of this Section 9 shall be null, void and without effect, and shall be ineffective to relieve either the transferor Owner or the transferee entity of its obligations under this Agreement.

(e) The Owner shall include by incorporation the requirements and restrictions contained in this Agreement in any deed, assignment or other documents transferring any interest in the Project to another person (other than transfers described in (b) above) to the end that such transferee has notice of and is bound by such restrictions, and shall obtain the express agreement from any transferee so to abide, as required in subsection (a) hereinabove. If the transferor Owner and its transferee fully comply with all requirements of this Section 9 (including, without limitation, the written and recorded assumption by the transferee of all obligations of the Owner under this Agreement from and after the date of transfer), then upon the transfer and conveyance of the Project such transferor shall be relieved from its obligations under this Agreement from and after the date of transfer, and all references to the "Owner" shall be deemed to refer to such transferee.

Section 10. Uniformity; Common Plan. The provisions hereof shall apply uniformly to the entire Project to establish and carry out a common plan for the use, development and improvement of the Land.

Section 11. Term of This Agreement.

(a) This Agreement shall become effective upon its execution and delivery and recordation in the real property records of Fairfax County, Virginia, and shall remain in full force and effect until the expiration of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof may survive the repayment in full of the Bonds if such repayment occurs prior to the expiration of the Qualified Project Period. Upon the termination of this Agreement as aforesaid, upon request of any party hereto, the Issuer, the Trustee, the Owner and any successor party hereto shall execute a recordable document further evidencing and confirming such termination.

(b) Notwithstanding the foregoing provisions of subsection (a) hereof, the restrictions contained herein (including Sections 6 and 7 hereof) regarding the use and operation of the Project shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, condemnation or similar governmental taking by eminent domain, change in a federal law or an action of a federal agency after the date the Bonds are issued which prevents compliance with the covenants expressed herein, BUT ONLY IF, either (i) all Bonds have been or within a reasonable period thereafter are redeemed and paid in full and all obligations under the Financing Agreement are paid in full, or (ii) within a reasonable period amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulation Section 1.103-8(b); and there is an opinion of Bond Counsel that such use of the amounts received does not adversely affect the excludability from gross income of interest on

the Bonds for federal income tax purposes. In either event, upon the written request of the Owner and at the expense of the Owner, the parties hereto shall execute an appropriate document in recordable form to evidence and confirm such automatic termination; provided, however, the restrictions of this Agreement shall nevertheless apply to the Project if, at any time during that part of the Qualified Project Period subsequent to a foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Owner or a related person (as that term is defined in Treasury Regulation 1.103-10(e)) obtains an ownership interest in the Project for tax purposes; and the restrictions contained in Section 7 of this Agreement shall nevertheless apply to the Project if at any time during the term applicable to Section 7 of this Agreement, the Owner, or any entity that includes the Owner or those with whom the Owner has or had family or business ties, obtains an ownership interest in the Project.

(c) Notwithstanding any other provisions of this Agreement, except for such provisions as determined by the Issuer to be necessary or appropriate to continue in full force and effect the provisions of Section 7 hereof, this entire Agreement or any of the provisions or sections hereof, other than Section 7 hereof and such other provisions as determined by Issuer, may be terminated upon agreement in writing by the Issuer, the Trustee and the Owner, if there shall have been received an opinion of Bond Counsel that such termination will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes. After the date on which no Bonds remain outstanding, as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under the Agreement and all references to the Trustee in this Agreement shall be deemed references to the Issuer.

Section 12. No Conflict With Other Documents. The Owner warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

Section 13. Events of Default and Enforcement.

(a) If the Owner defaults in the performance or observance of any covenant, agreement or obligation under this Agreement, and if such default remains uncured for a period of sixty (60) days after notice specifying such default and the actions required to correct the same shall have been given by the Trustee or the Issuer to the Owner (or for an extended cure period approved in writing by Bond Counsel if such default stated in such notice can be corrected, but not within such 60-day period), then such uncured breach or default shall constitute an “Event of Default” hereunder.

(b) Upon the occurrence of an Event of Default hereunder, the Issuer may take whatever other action at law or in equity or otherwise, whether for specific performance of any covenant in this Agreement or such other remedy as may be deemed most effectual by the Issuer to enforce the obligations of the Owner under this Agreement, and including the appointment of a receiver to operate the Project in compliance with this Agreement, or the institution and prosecution of any action or proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation.

(c) In addition to any and all other available remedies, the Owner hereby consents and agrees that any one or more of the following remedies shall be available upon the occurrence of an Event of Default hereunder:

(i) The Owner hereby acknowledges and agrees that specific performance of the covenants and requirements of this Agreement shall be necessary to achieve the intent hereof, and that no appropriate remedy at law would be available upon an Event of Default hereunder, or if available, any such remedy would be inadequate to implement the public purposes of the Act and to maintain the excludability from gross income of interest on the Bonds for federal tax purposes, and that the Trustee, the Issuer and the holders of the Bonds would be irreparably injured by the Owner's failure specifically to perform the covenants and requirements hereof; therefore, notwithstanding anything to the contrary stated in this Agreement, the Trustee and the Issuer each will have the right to seek specific performance of any of the covenants and requirements of this Agreement concerning the acquisition, construction and operation of the Project or an order enjoining any violation of this Agreement.

(ii) The Owner hereby agrees that the appointment of a receiver may be necessary to prevent waste to the Project and to maintain the excludability from gross income of interest on the Bonds for federal tax purposes, following an Event of Default by the Owner under this Agreement. The Issuer or Trustee may require the appointment of such a receiver.

(d) No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Financing Agreement or the Indenture or any related documents, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any failure to perform under this Agreement shall impair any such right or power or shall be construed to be a waiver thereof. The Issuer hereby authorizes and directs the Trustee to enforce any and all of the Issuer's rights and remedies hereunder on behalf of the Issuer in the event the Issuer fails to exercise the same and the Trustee hereby acknowledges its right to enforce such rights and remedies.

(e) The Trustee and the Issuer shall have the right, either jointly or severally, to enforce this Agreement and require curing of an Event of Default by the Owner hereunder in periods shorter than otherwise specified in this Section if Bond Counsel shall, in writing, opine to the parties that it is necessary to effect a cure within a shorter period in order to maintain the excludability from gross income of interest on the Bonds for federal tax purposes.

(f) No Event of Default hereunder shall constitute a default under the Note or Project Note.

(g) The Investor Member and the Special Member shall be entitled to cure any Event of Default hereunder to the same extent, upon the same terms and within the same time frame provided to the Owner hereunder. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Member or the Special Member shall be deemed

to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State, both substantive and remedial without giving effect to contrary choice of laws principles.

Section 15. Assignments, Amendments and Release.

(a) The interest of the Issuer in this Agreement shall be assigned to the Trustee (which shall not preclude the Issuer from exercising any of its rights hereunder) and the rights of the Issuer hereunder shall be enforceable by the Trustee. The Owner shall not assign its interest hereunder, except in writing and in accordance with the provisions of Section 9 hereof.

(b) The Issuer, the Trustee and the Owner may from time to time execute and deliver, one or more amendments or supplements to this Agreement for any of the following purposes:

(i) To correct or amplify the description of the Project or the Land;

(ii) To evidence the succession of another person or entity to the Issuer, the Trustee or the Owner (but as to the Owner, only if permitted under Section 9 hereof) and the assumption by any successor of the covenants of its predecessor;

(iii) To add to the covenants of the Owner for the benefit of the other parties to this Agreement or the owners of the Bonds to the extent required or appropriate in order to maintain the excludability from gross income of interest on the Bonds pursuant to the Code, or otherwise to preserve or perfect any excludability from gross income of interest on the Bonds for federal tax purposes;

(iv) To cure any ambiguities, to correct or supplement any provision of this Agreement which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement, which will not be inconsistent with the provisions of this Agreement, provided that such action will not adversely affect the interests of the owners of the Bonds;

(v) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the excludability from gross income of interest on the Bonds for federal tax purposes, to amend the covenants hereof to the extent consistent with the Act, the Code or the regulations promulgated thereunder, including, without limitation, to provide for less restrictive covenants if so approved by Bond Counsel;

(vi) At the end of the Term of this Agreement, as provided in Section 11 hereof, the Issuer shall execute and deliver to the Owner for recordation an instrument evidencing and confirming the termination, release and expiration of this Agreement, provided that failure to do so shall in no way effect the termination hereof pursuant to Section 11;

(vii) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the excludability from gross income of interest on the Bonds for federal tax purposes, to facilitate any amendment to the Indenture or any

other documents or to aid the Owner in obtaining credit enhancement or a credit rating for the Bonds; or

(viii) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the excludability from gross income of interest on the Bonds for federal tax purposes, to permit Owner, subject to restrictions which satisfy the "40-60 Test" prescribed in section 142(d)(1)(B) of the Code, to lease one or more Qualified Units to individuals or families with Adjusted Household Income not in excess of eighty per cent (80%) of the Median Income for the applicable family size.

Section 16. Notice. Any notice required to be given hereunder shall be given by personal delivery, by registered or certified U.S. mail or by registered expedited delivery service at the addresses specified below or at such other addresses as may be specified in writing by the parties hereto, and any such notice shall be deemed received on the date of delivery if by personal delivery or expedited delivery service, or upon actual receipt if sent by registered U.S. mail.

If to the Issuer: Fairfax County Redevelopment and
Housing Authority
3700 Pender Drive
Fairfax, Virginia 22030
Attention: Thomas Fleetwood
Telephone: (703) 246-5105
Facsimile: (703) 653-7130

With a copy to: Ballard Spahr LLP
1909 K Street, N.W.
12th Floor
Washington, D.C. 20006
Attention: Jeffrey S. Ballard, Esquire
Telephone: (202) 661-7622
Facsimile: (202) 661-2299

If to the Owner: RGC2 Northwest 4 Owner LLC
c/o Lincoln Avenue Communities
401 Wilshire Blvd., 11th Floor
Santa Monica, California 90401
Attention: Hanna Jamar
Email: hanna@lincolnavecap.com

With a copy to: Klein Hornig LLP
1325 G Street NW, Suite 770
Washington, D.C. 20005
Attention: Eric Hoffman
Email: ehoffman@kleinhornig.com

If to the Investor Member: Hudson RGC2 Northwest 4 LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

If to the Special Member: Hudson SLP LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

With copies to: Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, California 90071
Attention: Craig A. Emden
Fax No.: (213) 559-0747

If to the Trustee: The Bank of New York Mellon Trust Company,
N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Matthew Maselko
Telephone: (412) 234-7468
Facsimile: (732) 667-9131

Section 17. Monitoring by the Issuer. The Issuer shall have the right and obligation to take any and all reasonable actions necessary to diligently enforce all covenants, undertakings and obligations of the Owner under this Agreement, including, without limitation, exercising the rights and remedies set forth in Section 13 hereof. At all reasonable times and upon reasonable notice, the Issuer and the Trustee shall have full access to inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project, including records pertaining to the low-income housing tax credits and filings with the Virginia Housing Development Authority related thereto, and the Owner agrees to fully cooperate with the Issuer in providing any books and records the Issuer requests. In the event the Bonds (and any future refunding bonds) have been paid in full prior to the end of the Term of this Agreement, the Issuer shall continue to take or to cause a responsible party to take on its behalf all aforesaid monitoring and enforcement actions hereunder. The Owner shall pay to the Issuer the fees as set forth in the definition of Issuer Fees and Expenses under the Indenture in accordance with the Financing Agreement and the Indenture.

Section 18. Limited Obligations of Owner. Except as otherwise provided in the Financing Agreement and in Section 8 hereof, notwithstanding anything to the contrary in this Agreement, the Issuer and the Trustee expressly agree that the personal liability of the Owner shall be strictly and absolutely limited to the income and assets of the Project and any other collateral securing the Loan, no other property or assets of the Owner or any present or future, general or

limited partner or member of the Owner, as applicable, or any partner, member, joint venturer, officer, director, employee, or shareholder of any partner of the Owner shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies of Trustee or the Issuer or for any payment required to be made under this Agreement or for the performance of any of the covenants or warranties contained herein. In the event any suit is brought on this Agreement on behalf of the Issuer and/or Trustee, any judgment obtained in such suit shall constitute a lien on, and will be and can be enforced only against, the income and assets of the Project and any other collateral securing the Loan and not against any other asset of the Owner, and the terms of such judgment shall expressly so provide.

Section 19. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

Section 20. Multiple Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 21. Exhibits. Each of the exhibits attached hereto shall be incorporated herein in their entirety and shall be treated as a part hereof.

Section 22. Freddie Mac Rider. The provisions of the Freddie Mac Rider attached hereto as **Exhibit D** are incorporated by reference as if fully set forth herein. In the event of a conflict between provisions of the Freddie Mac Rider and the provisions of this Agreement, the provisions of the Freddie Mac Rider shall control. The provisions of the Freddie Mac Rider shall not take effect until the Credit Enhancement Agreement has been delivered on the Conversion Date, shall remain effective while the Credit Enhancement Agreement is in place and shall be terminated automatically and without further action required of any party hereto upon the final maturity of the Bonds.

[SIGNATURE PAGES FOLLOW]

RGC2 NORTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Northwest 4 MM LLC, a Delaware
limited liability company, its managing
member

By: _____
Russell Condas, Vice President

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of the document.

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On _____, 2024 before me, _____, Notary Public, personally appeared Russell Condas who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Matthew Maselko
Vice President

_____))
COUNTY OF _____) ss
_____)

On this, the ____ day of _____, 2024, before me a notary public, the undersigned officer, personally appeared Matthew Maselko, a Vice President of The Bank of New York Mellon Trust Company, N.A., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

In witness hereof, I hereunto set my hand and official seal.

Notary Public

EXHIBIT A
LEGAL DESCRIPTION

[TO BE PROVIDED]

EXHIBIT B

INCOME CERTIFICATION

I/We, the undersigned state that I/we and the persons listed below will be (or, if this is an anniversary certification, currently are) occupants of Unit No. _____ - in Residences at Government Center 2 – NW4 for which application is made (or for which this anniversary certification is given).

1. Name of Members of the Family *	2. Relationship	3. Age	4. Social Security Number	5. Federal Income Tax Return Filed for preceding Taxable Year? (Yes or No) **
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

* Includes family head and spouse (even if temporarily absent) and each additional member of the family.

** If “yes,” a copy of the Federal Income Tax Return is to be attached to this certification. If the Return is not available, W-2 Forms, paycheck stubs or other similar third party income verification of income are acceptable.

6. The Total Anticipated Income of all the above persons (including anticipated income of a family head or spouse of family head who is temporarily absent) during the 12-month period

beginning on the date (earlier of the date of initial occupancy or date of lease execution) set forth above is \$ _____. (See attached for definition of income and worksheet. Total to include amounts set forth in paragraph 7.2 below.)

7. If any of the members of the household has savings, stocks, bonds, equity in real property or other form of capital investment whose total value exceeds \$5,000, provide:

7.1. the total value of all such assets owned by the members of the household less reasonable costs that would be incurred in disposing of such assets: \$ _____, and

7.2. the amount of income expected to be derived from such assets in the 12-month period commencing this date and included in paragraph 6 above: \$ _____.

8. Will all of the persons (other than preschool age children) listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes ___ No ___

8.1 Complete the following only if the answer to Question 8 is “Yes.”

(a) Are all of the occupants students who are married and entitled to file a joint return?

Yes ___ No ___

(b) Is the household comprised entirely of a single parent and child(ren) none of whom are dependents of another individual?

Yes ___ No ___

(c) Is any student receiving assistance under title IV of the Social Security Act (including AFDC/TANF) or a student previously under foster care (that is, under the care and placement responsibility of the State agency responsible for administering a plan under Part B or part E of title IV of the Social Security Act?)

Yes ___ No ___

(d) Is any occupant a student enrolled in a job training program receiving assistance under the Job Training Partnership Act, or under similar Federal, State, or local programs?

Yes ___ No ___

I/We acknowledge that all of the above information is relevant to the status under Federal income tax law of the interest on revenue bonds that have been issued to finance the acquisition, rehabilitation and equipping of the Project. I/We consent to the disclosure of such information to the issuer of such bonds, any trustee (or agency thereof) acting on their behalf and any authorized agent of the United States Treasury Department or Internal Revenue Service. I/We understand that if the information reported in this certificate is discovered to be in any way materially false or misleading, it shall be viewed as a default and may result in termination of the lease and eviction of all occupants of the Unit.

The undersigned hereby declares under penalty of perjury that he/she/they has/have read and answered each of the questions herein fully and truthfully.

Signed:

Applicant/Tenant Date

Applicant/Tenant Date

Attachment to Tenant Income Certification:

I. Anticipated income includes:

Wages, salary, overtime pay (before payroll deductions)	\$ _____
Commissions, Fees	_____
Tips, Bonuses, All Other Personal Compensation	_____
All Net Income from Business or Real or Personal Property or a Profession (only straight line depreciation is allowed).....	_____
Withdrawals of Cash or Assets from Business, Profession or Investment (no deduction for amortization of capital indebtedness is allowed)	_____
Interest, dividends and other net income from real or personal property	_____
Periodic Payments (Social Security, Annuities, Insurance Policies, Retirement Funds, Pensions, Disability or Death Benefits, Etc.)	_____
Payments in Place of Earnings (Unemployment, Workers Compensation and Severance Pay)	_____
Public Assistance	_____
Periodic Allowances (Alimony, Child Support)	_____
Regular Contributions or Gifts	_____
Regular Pay, Special Pay and Allowances for Members of Armed Forces (Except for Hostile Fire)	_____
 Total Anticipated Income for the Household	 \$ _____

II. Anticipated income does not include:

- (a) income from the employment of children (including foster children) under the age of 18;
- (b) foster child or foster adult care payments;
- (c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance, and worker’s compensation), capital gains, and settlement for personal or property losses;
- (d) amounts that are specifically for or in reimbursement of medical expenses for any family member;
- (e) income of a live-in aide, as defined in 24 CFR Part 5.403;
- (f) the full amount of student financial assistance paid directly to the student or the educational institution;
- (g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (h) amounts received under training programs funded by HUD;

- (i) amounts received by a Disabled (as defined below) person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency;
- (j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program;
- (k) amounts received (not to exceed \$200 per month) by a resident from a project owner for performing a service for the owner on a part-time basis (such as lawn maintenance, hall monitoring, or fire patrol);
- (l) incremental earnings and benefits resulting to any family member from participation in qualifying District employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff;
- (m) temporary, sporadic or nonrecurring income (including gifts);
- (n) reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (o) earnings in excess of \$480 for each full-time student 18 years or older, excluding the head of household and spouse;
- (p) adoption assistance payments in excess of \$480 per adopted child;
- (q) deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
- (r) State or local tax refunds or rebates for property taxes paid on the dwelling unit;
- (s) State agency payments to a family with a developmentally disabled family member who is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- (t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937;
- (u) \$480 for each dependent (a member of the family, excluding foster children and foster adults, other than family head or spouse, who is under 18 years of age; a Disabled person as defined in Section 223 of the Social Security Act, or who has developmental disability as defined in Section 102(7) of the Developmental Disability Assistance and Bill of Rights Act, or is determined to have a physical, mental, or emotional impairment that is expected to be of a long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions; or a full time student);

- (v) \$400 for any family whose head or spouse (or sole member) is Elderly (at least 62 years of age), or Disabled;
- (w) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) unreimbursed medical expenses of any Elderly family or Disabled family; and
 - (ii) unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family with a disability, to the extent necessary to enable any family member (including the disabled member) to be employed. This deduction may not exceed the income received by family members who are 18 years of age and older who are able to work because of such attendant care or auxiliary apparatus;
- (x) Any reasonable child care expenses (amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income) necessary to enable a member of the family to be employed or further his or her education;

FOR COMPLETION BY PROJECT OWNER ONLY:

(a) Calculation of Adjusted Income:

- 1. Enter amount entered for entire household in 6 above:\$ _____
- 2. If the amount entered in 7.1 above is greater than \$5,000, enter:
 - (i) the product of the amount entered in 7.1 above as multiplied by the current passbook savings rate as determined by HUD:\$ _____
 - (ii) the amount entered in 7.2 above:\$ _____
 - (iii) line (i) minus line (ii) (if less than \$0, enter \$0)\$ _____
- 3. TOTAL ADJUSTED INCOME (Line (a)1 plus line (a)2(iii)): ..\$ _____

(b) Qualification as Qualifying Tenants:

- 1. Is the amount entered in line (a)3 equal to or less than 60% of Median Income for the Area adjusted for family size?
Yes _____ No _____
- 2. 1. If line (b)(1) is "Yes", and 8.1. above is "No", then the household qualifies as Lower-Income Tenants.
- 2. If line (b)(1) is "Yes", 8 above is "Yes" and any of the (a) through (d) of 8.1. above is "Yes", then the household qualifies as Lower-Income Tenants.

(c) Number of apartment Unit assigned: _____

(d) Monthly rent: _____

(e) (Check One)

- _____ The household does not qualify as Lower-Income Tenants.
- _____ The household qualifies as Lower-Income Tenants.

IN WITNESS WHEREOF, the undersigned has signed this Certificate as of the date written below.

RGC2 NORTHWEST 4 OWNER LLC

Dated: _____

Project Owner or Representative

EXHIBIT C

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, on behalf of RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “Owner”), has read and is thoroughly familiar with the financing documents associated with the issuance by the Fairfax County Redevelopment and Housing Authority (the “Issuer”), of its \$[13,220,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A, which documents include, among others, the Land Use Restriction Agreement, dated as of October 1, 2024 (the “Land Use Restriction Agreement”), among the Owner, the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the Financing Agreement dated as of October 1, 2024 (the “Financing Agreement”) between the Issuer, the Trustee and the Owner. All capitalized terms used in this Certificate shall have the meanings ascribed thereto in the Land Use Restriction Agreement.

1. The undersigned, based upon the information available, hereby certifies on behalf of the Owner as of the date of this Certificate as follows:

(a) the maximum Adjusted Household Income (i.e., 60% of Median Income) permitted for the household of a Lower-Income Tenant for each applicable family size is as follows:

\$
\$
\$
\$
\$
\$
\$
\$

(b) on the first day of the month in which this Certificate is dated the following information is correct and complete concerning the status of occupancy of the Project by Lower-Income Tenants:

As of the month of _____, 20__

	<u>Lower-Income Tenants</u>	<u>Non-Lower Income Tenants</u>	<u>Total</u>
No. Units previously occupied*			
No. newly occupied Units**			
No. Units held vacant and available for occupancy			
Subtotals			
Percent of total Units occupied or available for occupancy			

*Number of Units occupied by the specified classification of tenant on the first day of the immediately preceding calendar month, which remain occupied by the same tenants on the 1st day of the month in which this Certificate is dated, and for which all Income Certifications for all occupants were previously furnished to the Issuer and the Trustee with prior Certificates of Continuing Program Compliance. Attached hereto is a list by Unit number and name of occupants of all Units occupied by Lower-Income Tenants as of the first day of the immediately preceding calendar month, and the first day of the month in which this Certificate is dated.

**The undersigned hereby certifies that (i) photocopies of the Income Certification for each tenant of all newly occupied Units and all Income Certifications for all tenants of the Project not previously furnished with prior Certificates of Continuing Program Compliance are attached hereto, (ii) that each such Income Certification was fully completed, was duly executed by the applicable tenant and all other known occupants of the subject Unit, and to the best knowledge of the Owner properly and accurately completed by such tenant, and (iii) that the Owner's files contain any materials required under the Land Use Restriction Agreement, the Financing Agreement and the Income Certification to substantiate the income and financial information set forth on each attached Income Certification.

2. At no time since the date of filing of the last Certification of Continuing Program Compliance have less than 40% of the completed Units in the Project been occupied by or been last occupied by Lower-Income Tenants.

3. The undersigned hereby certifies that, to its knowledge, the Owner is not in default under the above described Land Use Restriction Agreement or Financing Agreement with the exception of the following (if none, please so state):

RGC2 NORTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Northwest 4 MM LLC, a Delaware
limited liability company, its managing
member

By: _____
Russell Condas, Vice President

Dated: _____

EXHIBIT D

FREDDIE MAC RIDER

This Freddie Mac Rider (the “Rider”) is attached to and forms a part of the Land Use Restriction Agreement (the “Regulatory Agreement”), dated as of October 1, 2024, by and among Fairfax County Redevelopment and Housing Authority (the “Issuer”), The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor in such capacity, the “Trustee”), and RGC2 Northwest 4 Owner LLC, (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the “Borrower”).

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement and the Indenture. In addition, the following terms shall have the following meanings:

“**Bonds**” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A.

“**Bond Mortgage**” means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, to be executed by the Borrower on the Conversion Date to secure the Bond Note with respect to the Project.

“**Bond Loan**” means the loan made by the Issuer to the Borrower pursuant to the Bond Loan Documents, which Bond Loan has been assigned to the Trustee.

“**Bond Loan Documents**” means the Bond Note, the Bond Mortgage, the Indenture, the Financing Agreement, the Credit Enhancement Agreement, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement and any and all other instruments documenting, evidencing, securing or otherwise relating to the Bond Loan.

“**Bond Note**” means the Bond Note, executed by the Borrower in favor of the Issuer, evidencing the Borrower’s financial obligations under the Bond Loan, and endorsed by the Issuer, without recourse, to the order of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

“**Freddie Mac**” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States, and its successors and assigns.

“**Financing Agreement**” means the Financing Agreement dated as of October 1, 2024, by and between the Borrower and the Issuer, as such Financing Agreement may from time to time be amended or supplemented.

“**Indenture**” means the Trust Indenture dated as of October 1, 2024 by and between the Issuer and the Trustee, as such Indenture may from time to time be amended or supplemented.

“**Servicer**” means Capital One, National Association, or any successor Servicer selected by Freddie Mac.

2. Applicability. The provisions of this Rider shall be effective on and after the Conversion Date and shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither Freddie Mac nor any successor in interest to Freddie Mac will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Bond Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to Freddie Mac. Freddie Mac shall indemnify the Issuer following acquisition of the Project by Freddie Mac, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Bond Loan, during, and only during, any ensuing period that Freddie Mac owns and operates the Project, provided that Freddie Mac’s liability shall be strictly limited to acts and omissions of Freddie Mac occurring during the period of ownership and operation of the Project by Freddie Mac. Freddie Mac shall have no indemnification obligations with respect to the Bonds or the Bond Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to Freddie Mac.

4. Sale or Transfer. Restrictions on sale or transfer of the Project or of any interest in the Borrower, Issuer and/or Trustee consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Project to Freddie Mac or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Bond Loan or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Loan. No transfer of the Project shall operate to release the Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Bond Mortgage or any of the other Bond Loan Documents that requires the Borrower to obtain the consent of Freddie Mac as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Bond Mortgage. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to Freddie Mac upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Loan by Freddie Mac, or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Loan.

5. Enforcement. Notwithstanding anything contained in the Regulatory Agreement or the Indenture to the contrary:

- (i) the occurrence of an Event of Default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Bond Loan Documents, except as may be otherwise specified in the Bond Loan Documents;
- (ii) neither the Issuer nor the Trustee may, upon the occurrence of an Event of Default under the Regulatory Agreement, seek, in any manner, to (a) cause or direct acceleration of the Bond Loan, (b) enforce the Bond Note, (c) foreclose on the Bond Mortgage, (d) cause the Trustee to redeem the Bonds or to declare the principal of the Bonds and the interest accrued on the Bonds to be immediately due and payable or (e) cause the Trustee to take any other action under any of the Bond Mortgage Documents or any other documents which action would or could have the effect of achieving any one or more of the actions, events or results described in the preceding clauses (a) through (d); and
- (iii) the occurrence of an Event of Default under this Regulatory Agreement shall not impair, defeat or render invalid the lien of the Bond Mortgage.

No person other than Freddie Mac shall have the right to (a) declare the principal balance of the Bond Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Bond Mortgage. The Issuer and the Trustee acknowledge the foregoing limitations.

The foregoing prohibitions and limitations are not intended to limit the rights of the Issuer or the Trustee to specifically enforce the Regulatory Agreement or to seek injunctive relief in order to provide for the operation of the Project in accordance with the requirements of the Internal Revenue Code and state law. Accordingly, upon any default by the Borrower, the Issuer or the Trustee may seek specific performance of the Regulatory Agreement or enjoin acts which may be in violation of the Regulatory Agreement or unlawful, but neither the Issuer nor the Trustee may seek any form of monetary recovery from the Borrower, although the Issuer may seek to enforce a claim for indemnification, provided that no obligation of the Borrower under the Regulatory Agreement, including, without limitation, any indemnification obligation, any other obligation for the payment of money, any claim and any judgment for monetary damages against the Borrower, occasioned by breach or alleged breach by the Borrower of its obligations under the Regulatory Agreement or otherwise, shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Issuer, the Trustee or any other person, and all such obligations shall be, and by this Rider are, subordinate in priority, in right to payment and in all other respects to the obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Bond Loan Documents. Accordingly, neither the Issuer nor the Trustee shall have the right to enforce any monetary obligation other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

The obligations of any owner under the Regulatory Agreement shall be personal to the person who was the owner at the time that an event, including, without limitation, any default or breach of the Regulatory Agreement, occurred or was alleged to have occurred, and such person shall remain liable for any and all such obligations, including damages occasioned by a default or breach, even after such person ceases to be the owner of the Project. Accordingly, no subsequent owner of the Project shall be liable or obligated for the obligation of any prior owner (including the Borrower), including, but not limited to, any obligation for payment, indemnification or damages, for default or breach of the Regulatory Agreement or otherwise. The owner of the Project at the time the obligation was incurred, including any obligation arising out of a default or breach of the Regulatory Agreement, shall remain liable for any and all payments and damages occasioned by the owner even after such person ceases to be the owner of the Project, and no person seeking such payments or damages shall have recourse against the Project.

Under no circumstances shall the Issuer or the Trustee:

- (i) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Bond Loan;
- (ii) interfere with or attempt to influence the exercise by Freddie Mac of any of its rights under the Bond Loan, including, without limitation, Freddie Mac's remedial rights under the Bond Loan Documents upon the occurrence of an event of default by the Borrower under the Bond Loan; or
- (iii) upon the occurrence of an event of default under the Bond Loan, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Loan.

6. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Borrower, the Servicer and Freddie, inform the Borrower, the Servicer and Freddie Mac that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Bond Loan, to enforce the Bond Note or to foreclose on the Bond Mortgage.

7. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of Freddie Mac.

8. Fees; Penalties. Freddie Mac shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by Freddie Mac, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Loan.

9. Subordination. The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 6 through 7, are and shall at all times remain subject and

subordinate, in all respects, to the liens, rights and interests created under the Bond Loan Documents.

10. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Freddie Mac and are entered into for the benefit of various parties, including Freddie Mac. Freddie Mac shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Issuer and/or the Trustee, or to cause the Issuer or the Trustee to enforce, the terms of the Regulatory Agreement. In addition, the Freddie Mac is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

11. Notices. Copies of all notices under the Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

Capital One, National Association
[ADDRESS]
Attention:
Email:
Telephone:

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: guy_nelson@freddiemac.com
Telephone: (703) 903-2000

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2024

BOOK-ENTRY ONLY

(See below and "RATING" herein.)

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax, under existing laws as of the date of initial delivery of the Bonds and assuming continuing compliance with the requirements of the federal tax laws, except that interest on a Bond is not excludable while the Bond is held by a substantial user of the financed facilities or a related person. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that interest on the Bonds is exempt from income taxation by the Commonwealth of Virginia. See "TAX MATTERS" herein.

\$13,220,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A

\$6,130,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B

Dated Date: Date of Delivery; Initial Offering Price: 100%
Series 2024A Bond Rate: ___%; CUSIP: _____
Conversion Date: no earlier than May 1, 2027*
Bond Maturity Date: November 1, 2044*
Rating: Moody's "[Aaa]"

Dated Date: October __, 2024; Initial Offering Price: 100%
Initial Series 2024B Bond Rate: ___%; CUSIP: _____
Redemption in connection with Conversion Date:
no earlier than May 1, 2027*
Initial Mandatory Tender Date: November 1, 2027*
Bond Maturity Date: November 1, 2028*
Rating: Moody's "[Aaa/VMIG 1]"

The Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024A (the "Series A Bonds") and the Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds") are being issued under and pursuant to a Trust Indenture, dated as of October 1, 2024 (the "Indenture"), between the Fairfax County Redevelopment and Housing Authority (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., a national banking association (the "Trustee").

The Bonds will be delivered in fully registered form only and are registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Ownership interests with respect to the Bonds may be purchased only in book-entry form in denominations of (i) with respect to the Series A Bonds, \$5,000 or any integral multiple thereof within a maturity and (ii) with respect to the Series B Bonds, \$5,000 or any integral multiple of \$1,000 in excess thereof. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Bondholders shall mean Cede & Co. and shall not mean the ultimate purchasers of the Bonds. See "THE BONDS - Book-Entry Only System."

The Bonds will be issued to provide funding to RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the "Borrower"), to enable the Borrower to finance the acquisition of a leasehold interest in, and the construction, equipping and operation of 74 residential rental apartment units located in Fairfax, Virginia, and known as Residences at Government Center 2 - NW4 (the "Project"). Pursuant to the Indenture and a Financing Agreement dated as of October 1, 2024 (the "Financing Agreement"), by and among the Issuer, the Borrower and the Trustee, the Issuer has agreed to use the proceeds derived from the sale of the Bonds to make a loan in the aggregate principal amount of \$19,350,000* (the "Bond Loan") to the Borrower in connection with the Project. The Borrower's repayment obligations in respect to the Bond Loan will be evidenced by a multifamily note dated October __, 2024 (the "Bond Note") delivered to the Issuer and endorsed by the Issuer to the Trustee.

The Borrower has obtained a construction loan in the amount of up to \$28,597,987* (the "Construction Loan") from Capital One, National Association (the "Construction Lender") and will cause Eligible Funds (as defined herein), including proceeds of the Construction Loan, of up to \$19,350,000* to be deposited into the Collateral Fund established under the Indenture to allow the Trustee to release proceeds of the Bonds to pay Costs of the Project (as defined herein) pursuant to the terms of the Indenture and the Financing Agreement. At all times prior to Conversion (as defined herein), the Bonds will be secured by Eligible Investments or other Eligible Funds sufficient along with the earnings thereon (without the need for reinvestment) to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of the Initial Mandatory Tender Date or any preceding Mandatory Tender Date or Redemption Date as described herein. See "SECURITY FOR THE BONDS" herein. Upon the satisfaction of the Conditions of Conversion and the occurrence of the Conversion Date, the Federal Home Loan Mortgage Corporation ("Freddie Mac" or "Credit Facility Provider") will deliver a Credit Enhancement Agreement (the "Credit Enhancement Agreement" or the "Credit Facility") to the Trustee, dated as of the Conversion Date (as defined herein), between the Trustee and Freddie Mac, pursuant and subject to the terms and conditions of the Forward Commitment (as defined herein) with respect to the Series A Bonds outstanding Conversion. Following Conversion, payments of principal and interest on the Series A Bonds will be secured by the Credit Enhancement Agreement. The Credit Enhancement Agreement will terminate on ____, 20__* (or earlier as provided therein). See "APPENDIX G - FORM OF CREDIT FACILITY - CREDIT ENHANCEMENT AGREEMENT" herein. Freddie Mac's obligations to make advances to the Trustee upon the proper presentation of documents, which conform to the terms and conditions of the Credit Enhancement Agreement, are irrevocable. If the Conditions to Conversion are not satisfied by the Forward Commitment Maturity Date, Freddie Mac will have no obligation to deliver the Credit Enhancement Agreement.

The Bonds will be subject to redemption prior to their stated maturity dates at the prices, on the terms and upon the occurrence of the events described herein. The maturity of the Bonds may be accelerated upon the occurrence of certain events as further described herein. See "THE BONDS" and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Acceleration; Other Remedies Upon Event of Default."

The Series B Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date. All Bondholders of the Series B Bonds must tender their Series B Bonds for purchase on the Initial Mandatory Tender Date. The Series B Bonds may be remarketed and a new interest rate for the Series B Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Series B Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Series B Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Series B Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

The Bonds shall bear interest at the applicable rate set forth above and as described herein. Interest on the Bonds will be payable semiannually on each May 1 and November 1, commencing May 1, 2025* (the "Interest Payment Date"). So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal of, premium, if any, and interest on, the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Trustee. Disbursements of such payments to DTC's Participants are the responsibility of DTC.

FOLLOWING CONVERSION, FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE SERIES A BONDS WILL BE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. FREDDIE MAC IS NOT PROVIDING ANY CREDIT ENHANCEMENT IN CONNECTION WITH THE SERIES B BONDS AND HAS NO HAS NO OBLIGATIONS WITH RESPECT TO THE SERIES B BONDS.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF FAIRFAX COUNTY, VIRGINIA (THE "COUNTY"), THE COMMONWEALTH OF VIRGINIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT

* Preliminary; subject to change.

This Preliminary Official Statement and certain information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Bonds may not be sold, nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

FCRHA Meeting - Action Item 2

CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

This cover page of this Official Statement contains certain information for quick reference only. It is not a complete summary of the Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The delivery of the Bonds is subject to the approval of certain legal matters by Ballard Spahr LLP, Washington, D.C., Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Credit Facility Provider by its legal department and by its special counsel, Katten Muchin Rosenman LLP, Washington, D.C., for the Borrower by its counsel, Klein Hornig LLP, Washington, D.C., and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in New York, New York on or about October __, 2024.

The logo for STIFEL, featuring the word "STIFEL" in a blue, serif, all-caps font.

Date: October __, 2024

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No broker, dealer, salesperson or other Person has been authorized by the Issuer to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any Person in any jurisdiction in which it is unlawful for such Person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Issuer and other sources believed to be reliable. This information is not guaranteed as to accuracy and is not to be construed as a representation of such by the Issuer. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date hereof.

The information set forth herein relating to the Project and the Borrower has been obtained from the Borrower, and all other information herein has been obtained by other sources believed to be reliable, but is not to be construed as a representation by the Issuer. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Borrower or the Issuer since the date hereof.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of any of the Bonds. All statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof, inside front cover, and the appendices attached hereto are part of this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Freddie Mac has not provided or approved any information in this Official Statement except with respect to the descriptions under the caption "FREDDIE MAC" and takes no responsibility for any information contained in this Official Statement. Freddie Mac makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role will be limited to entering into the Credit Facility with respect to the Series A Bonds described herein, but shall have no obligation to enter into the Credit Facility if the Conditions to Conversion are not satisfied prior to the Forward Commitment Maturity Date.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or listed on any stock or other securities exchange and neither the Bond Resolution (as defined herein) nor the Indenture (as defined herein) will have been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The exemption from registration or qualification of the Bonds in accordance with applicable provisions of the securities laws of various states likewise cannot be regarded as a recommendation of the Bonds. Neither these states nor any of their agencies have passed upon the merits of the Bonds or the accuracy or the completeness of this Official

Statement. Any representation to the contrary may be a criminal offense. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD LOOKING STATEMENTS". IN THIS RESPECT, THE WORDS "ESTIMATE", "PROJECT", "ANTICIPATE", "EXPECT", "INTEND", "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE ISSUER, FREDDIE MAC AND THE BORROWER COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD LOOKING STATEMENTS.

References in this Official Statement to statutes, laws, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is distributed in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information in this Official Statement concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry only system has been obtained from DTC and the Issuer takes no responsibility for the accuracy or completeness thereof. Such information has not been independently verified by the Issuer and the Issuer makes no representation as to the accuracy or completeness of such information.

CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

THIS OFFICIAL STATEMENT DESCRIBES THE BONDS, AND IS INTENDED SOLELY FOR USE WITH RESPECT TO THE BONDS.

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OFFICIAL STATEMENT

\$13,220,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A

\$6,130,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B

INTRODUCTION

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, which includes the cover page and Appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and Appendices hereto, must be considered in its entirety. Certain capitalized terms used in this Official Statement are defined herein and in the Appendices hereto. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed to them in the Indenture and the Financing Agreement (as such terms are defined herein).

General

This Official Statement (which includes the cover page and appendices hereto) provides certain information in connection with the issuance and sale of the \$13,220,000* Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024A (the “Series A Bonds”) and the \$6,130,000* Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024B (the “Series B Bonds,” and together with the Series A Bonds, the “Bonds”) issued by the Fairfax County Redevelopment and Housing Authority (the “Issuer”).

The Bonds are being issued pursuant to the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”), under a Trust Indenture to be dated as of October 1, 2024 (the “Indenture”) by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and a resolution of the Issuer authorizing and approving the issuance and sale of the Bonds and execution and delivery of all related documents required to be executed and delivered by the Issuer (the “Bond Resolution”). The Issuer is using the proceeds of the Bonds to make a loan (the “Bond Loan”) to RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), to provide for the financing for the acquisition of a leasehold interest in and the construction and equipping of a 74-unit affordable rental housing project to be known as Residences at Government Center 2 – NW4 (the “Project”), located at 12040 Government Center Parkway in Fairfax, Virginia. See “PRIVATE PARTICIPANTS” herein. The Borrower’s repayment obligations in respect to the Bond Loan will be evidenced by a Multifamily Note dated October ____, 2024 (the “Bond Note”) delivered to the Issuer and endorsed by the Issuer to the Trustee.

On the Delivery Date, the Issuer will assign the Financing Agreement (except for the Issuer’s Unassigned Rights) to the Trustee for the benefit of the registered owners of the Bonds. In addition to the other security provided under the Indenture, the Bonds will be secured, prior to Conversion, by Eligible Funds and Eligible Investments thereof held by the Trustee, and on and following Conversion, Outstanding Series A Bonds will be secured by the Guaranteed Payments under a direct-pay Credit Enhancement

* Preliminary; subject to change.

Agreement to be dated as of the Conversion Date (the “Credit Enhancement Agreement” or the “Credit Facility”), between the Federal Home Loan Mortgage Corporation (“Freddie Mac” or “Credit Facility Provider”) and the Trustee. The Credit Enhancement Agreement will not secure the Series B Bonds and Freddie Mac’s commitment to deliver the Credit Enhancement Agreement is conditioned on the redemption of the Series B Bonds on or prior to the Conversion Date, as well as the other Conditions to Conversion. A form of the Credit Enhancement Agreement is attached hereto as Appendix G. The obligation of the Borrower to reimburse Freddie Mac for funds provided by Freddie Mac pursuant to the Credit Enhancement Agreement is established by the terms and conditions of a Reimbursement and Security Agreement dated the Conversion Date (the “Reimbursement Agreement”) between the Borrower and Freddie Mac. See “SECURITY FOR THE BONDS — The Credit Enhancement Agreement,” “APPENDIX F — SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT” and “APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT.”

The Borrower has obtained a construction loan in the amount of up to \$28,597,987* (the “Construction Loan”) from Capital One, National Association (the “Construction Lender”), and will cause Eligible Funds (as defined herein), including proceeds of the Construction Loan, of up to \$19,350,000* to be deposited into the Collateral Fund established under the Indenture to allow the Trustee to release proceeds of the Bonds to pay Costs of the Project (as defined herein) pursuant to the terms of the Indenture and the Financing Agreement. At all times prior to Conversion (as defined herein), the Bonds will be secured by Eligible Investments or other Eligible Funds sufficient along with the earnings thereon (without the need for reinvestment) to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of the Initial Mandatory Tender Date or any preceding Mandatory Tender Date or Redemption Date as described herein. See “SECURITY FOR THE BONDS” herein. Capital One, National Association has also received a commitment, dated as of October __, 2024 (the “Forward Commitment”) between the Federal Home Loan Mortgage Corporation (“Freddie Mac” or “Credit Facility Provider”) and Capital One, National Association (the “Servicer”) whereas, upon the satisfaction of the Conditions to Conversion and the occurrence of the Conversion Date, the Credit Facility Provider, will deliver the Credit Enhancement Agreement with respect to the Series A Bonds outstanding following the Conversion Date. The Credit Enhancement Agreement will not secure the Series B Bonds and Freddie Mac’s commitment to deliver the Credit Enhancement Agreement is conditioned on the redemption of the Series B Bonds on or prior to the Conversion Date, as well as the other Conditions to Conversion. Following Conversion, payments of principal and interest on the Series A Bonds will be secured by the Credit Enhancement Agreement. The Credit Enhancement Agreement will terminate on _____, 20__* (or earlier as provided therein). See “APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT” herein. Freddie Mac’s obligations to make advances to the Trustee upon the proper presentation of documents, which conform to the terms and conditions of the Credit Enhancement Agreement, are irrevocable. [Based on current underwriting assumptions the Forward Commitment amount is \$ _____, which may be increased in an amount up to 10% of the Series A Bonds if certain conditions are satisfied upon Conversion.] [Lender and Freddie Counsel to confirm.] If the Conditions to Conversion are not satisfied by the Forward Commitment Maturity Date, Freddie Mac will have no obligation to deliver the Credit Enhancement Agreement.

The Bonds will be subject to redemption prior to their stated maturity dates at the prices, on the terms and upon the occurrence of the events described herein. The maturity of the Bonds may be accelerated upon the occurrence of certain events as further described herein. See “THE BONDS” and “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Acceleration; Other Remedies Upon Event of Default.”

The Series B Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date. All Bondholders of the Series B Bonds must tender their Series B Bonds for purchase on the Initial Mandatory

Tender Date. The Series B Bonds may be remarketed and a new interest rate for the Series B Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Series B Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Series B Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Series B Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

The Bonds shall bear interest at the applicable rate set forth above and as described herein. Interest on the Bonds will be payable semiannually on each May 1 and November 1, or the next succeeding Business Day if such 1st day is not a Business Day, commencing May 1, 2025* (the “Interest Payment Date”). So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal of, premium, if any, and interest on, the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Trustee. Disbursements of such payments to DTC’s Participants are the responsibility of DTC.

At Conversion, to secure the Borrower’s obligations under the Bond Note, the Borrower will execute and deliver to the Issuer a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Bond Mortgage”) with respect to the Project, which Bond Mortgage will be assigned by the Issuer to the Trustee.

Under the Credit Enhancement Agreement, subject to certain terms and conditions set forth therein, on any Interest Payment Date, or any date Bonds are called for optional or mandatory redemption, and on the maturity date of the Bond Note, Freddie Mac is required to pay the Guaranteed Payment (as defined in the Credit Enhancement Agreement). See “THE BONDS,” “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” and “APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT.”

Following Conversion, so long as Freddie Mac is not in default in its payment obligations under the Credit Enhancement Agreement, Freddie Mac shall control and shall have the right to exercise the Bond Mortgage Rights (as defined in the Intercreditor Agreement).

Pursuant to an Intercreditor Agreement to be dated as of the Conversion Date (the “Intercreditor Agreement”), among the Issuer, the Trustee and Freddie Mac with respect to the Bonds, neither the Trustee nor the Bondholders will have the right to exercise remedies under the Bond Mortgage while the Credit Enhancement Agreement secures the Bonds and Freddie Mac continues to honor its obligations thereunder. The Borrower will also execute a [Reimbursement Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing] dated the Conversion Date (the “Reimbursement Mortgage”) for the benefit of Freddie Mac to secure the Borrower’s obligations under the Reimbursement Agreement.

In order to assure compliance with the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), there has been executed and delivered a Land Use Restriction Agreement, dated as of the date of the Indenture (the “Regulatory Agreement”), by and among the Issuer, the Trustee and the Borrower. The Regulatory Agreement requires that the residential rental units in the Project be occupied or held for occupancy by tenants with incomes below the levels described in “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” hereto at restricted rents. The Project will be further restricted as described under the heading “PRIVATE PARTICIPANTS” herein.

The Servicer (as defined herein) will act as servicer for the Bond Loan and payments on the Bond Loan will be made by the Borrower to the Servicer for the benefit of the Trustee. See “THE SERVICER” herein.

FOLLOWING CONVERSION, FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS WILL BE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT FACILITY, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

The Bonds, and the premium, if any, and interest thereon, are limited obligations of the Issuer, the principal of, premium, if any, and interest on which are secured by and payable solely from the Trust Estate.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF FAIRFAX COUNTY, VIRGINIA (THE "COUNTY"), THE COMMONWEALTH OF VIRGINIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Brief descriptions of the Issuer, the Bonds, the security for the Bonds, the Borrower, the Project, the Indenture and the Financing Agreement are included in this Official Statement. All references herein to the Indenture, the Financing Agreement, the Assignment, the Credit Facility, the Regulatory Agreement, the Reimbursement Agreement, the Bond Mortgage and other documents and agreements are qualified in their entirety by reference to such documents and agreements, copies of which are available for inspection at the offices of the Trustee.

THE ISSUER

The following information has been provided by the Issuer for use herein. While the information is believed to be reliable, none of the Trustee, the Borrower, the Underwriter, Freddie Mac nor any of their respective counsel, members, officers or employees makes any representations as to the accuracy or

sufficiency of such information.

The Issuer is a political subdivision of the Commonwealth of Virginia created pursuant to the Housing Authorities Law, Chapter 1, Title 36, of the Code of Virginia of 1950, as amended (the “Enabling Act”). The Issuer is a “public housing agency” as such term is defined in Section 3(6) of the U.S. Housing Act.

The Issuer was created pursuant to the Enabling Act by resolution of the Board of Supervisors and approved in a referendum of voters in Fairfax County on November 2, 1965. On February 23, 1966, the Board of Supervisors declared the Issuer activated, and it has been in operation since that date without interruption. The Issuer is empowered, among other things, to acquire, construct, improve, maintain, equip, own, lease, and dispose of various types of facilities, including facilities for use by the County, and to finance the same by the issuance of its revenue bonds or notes. The Bonds will be limited obligations of the Issuer. See “SECURITY FOR THE BONDS” herein. The Issuer has no taxing power.

The Issuer’s powers are vested in the 11 Commissioners. The officers of the Issuer are a Chair and a Vice-Chair, chosen from the Commissioners, and a Secretary who is also the Executive Director. The County Executive of the County serves as Secretary and Executive Director for the Issuer. In addition, the Issuer appoints such other officers, agents and employees as it may require.

The Commissioners of the Issuer are as follows[†]:

Member Name	Title	Expiration of Term
Lenore Stanton	Chair	4/30/2028
Elisabeth Lardner	Vice Chair	4/30/2025
Nicholas A. McCoy	Commissioner	4/30/2028
Staci Jones Alexander	Commissioner	4/30/2026
Steven Bloom	Commissioner	4/30/2027
Susan Vachal	Commissioner	4/30/2025
Michael Cushing	Commissioner	4/30/2028
Paul Zurawski	Commissioner	4/30/2025
Michel McRoberts	Commissioner	4/30/2025
Joseph Mondoro	Commissioner	4/30/2028

The Issuer’s offices are located at 3700 Pender Drive, Suite 300, Fairfax, VA 22030-7442, and its telephone number is (703) 246-5105.

The Issuer owns and/or operates 109 properties, which are comprised of over 3,880 apartments, townhouses, senior retirement homes, and assisted living facilities. The Issuer owns other specialized housing such as manufactured housing pads and beds in group homes. The Issuer also administers Section 8 funds for 4,400 Housing Choice Vouchers and 1,060 RAD-PBV units. In addition, the Issuer has issued tax-exempt bonds to finance a number of low and moderate income rental properties in Fairfax County, Virginia that are owned by unrelated private entities.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE STATE OR ANY

[†] Currently, there is one vacancy.

POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

No agreement or obligation contained in the Indenture shall be deemed to be an agreement or obligation of any director, officer, employee, commissioner, servant or agent of the Issuer in his or her individual capacity, and neither the directors of the Issuer nor any officer thereof executing any Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, commissioner, servant or agent of the Issuer shall incur any personal liability with respect to any other action taken by him or her pursuant to the Indenture.

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THIS SECTION AND “ABSENCE OF LITIGATION (WITH RESPECT TO THE ISSUER)”, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE BONDS

General

The Bonds shall be dated the date of their delivery and shall bear interest and mature on the dates set forth on the inside cover page of this Official Statement. The Bonds are issuable as fully registered bonds initially in the minimum denomination of (i) with respect to the Series A Bonds, \$5,000 or any integral multiple thereof within a maturity and (ii) with respect to the Series B Bonds, \$5,000 or any integral multiple of \$1,000 in excess thereof, and are available in book-entry only form. See “Book-Entry Only System” below. Interest on the Bonds will be payable on May 1 and November 1, commencing on May 1, 2025*, at the interest rates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year consisting of 12 30-day months. The Initial Series B Interest Rate is subject to change upon any subsequent mandatory tender and remarketing thereof. See “THE BONDS — Mandatory Tender of Series B Bonds” below.

Principal of and premium, if any, and interest on the Bonds will be payable by check mailed to the person whose name appears on the Bond Register on the Record Date, provided that, upon written request of a registered owner of at least \$1,000,000 aggregate principal amount of Bonds received by the Trustee at least five (5) Business Days prior to a Record Date, payment will be made to such owner by electronic transfer pursuant to the provisions of the Indenture.

Any Bond may be transferred only upon an assignment duly executed by the registered owner or his or her duly authorized representative in such form as will be satisfactory to the Bond Registrar and upon surrender of such Bond to the Trustee for cancellation. Any Bond may be exchanged at the Principal Office of the Trustee for a new fully registered Bond or Bonds, of the same maturity, of any authorized denomination or denominations, for the aggregate amount of such Bond then Outstanding. In all cases in which Bonds will be transferred or exchanged, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

* Preliminary; subject to change.

Neither the Issuer nor the Trustee will be required to make any such exchange, registration or transfer of Bonds during the period of 15 days immediately preceding an Interest Payment Date, or, in the case of any proposed redemption of Bonds, during the period of 15 days immediately preceding the selection of Bonds for such redemption and after the giving of notice of redemption, the Trustee is not required to transfer or exchange any Bond or portion thereof which has been called for redemption.

Book-Entry Only System

The information in this section concerning The Depository Trust Company (“DTC”) and DTC’s Book-Entry System has been obtained from DTC and has not been independently verified by the Issuer, the Trustee, the Borrower, the Underwriter or any of their respective counsel, members, officers or employees. No representation whatsoever as to the accuracy, adequacy or completeness of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof, is made by the Issuer, the Trustee, the Borrower, the Underwriter or any of their respective counsel, members, officers or employees.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds in the aggregate principal amount of such issue, and will be deposited with, or held by the Trustee as custodian for, DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners.

Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest and redemption or purchase price payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on payment dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption or purchase price payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The requirement for physical delivery of Bonds in connection with a mandatory tender for purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but neither the Issuer nor the Borrower takes any responsibility for the accuracy thereof.

Redemption of Bonds Prior to Maturity

Optional Redemption of Series A Bonds

The Series A Bonds are not subject to optional redemption prior to _____ 1, 2034*. On and after _____ 1, 2034*, the Series A Bonds are subject to optional redemption from payments made under the Credit Facility (subject to the limitations set forth in subsection (ii) of this section) or with other Eligible Funds deposited with the Trustee,

(i) With the prior written consent of the Credit Facility Provider, in whole or in part, upon optional prepayments on the Bond Loan in accordance with the prepayment restrictions set forth in the Financing Agreement on any Business Day, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest, if any, to the redemption date.

(ii) Optional redemption of Series A Bonds at a premium may only be made if the Trustee has received Eligible Funds not consisting of funds drawn under the Credit Facility on or prior to the redemption date in an amount sufficient to pay the applicable redemption premium.

(iii) The Trustee shall effect a redemption of Series A Bonds pursuant to this section at the earliest practicable date for which notice may be given under the Indenture but in no event later than 35 days following its receipt of money representing an optional prepayment of the Bond Loan.

Mandatory Redemption of Series A Bonds

The Series A Bonds are subject to mandatory redemption on any Business Day, in whole or in part as indicated below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, at the earliest practicable date upon the occurrence of any of the following:

(i) after the Conversion Date, in whole or in part, upon receipt by the Trustee of (1) proceeds of a draw under the Credit Facility, in the amount of Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Loan, such amount to be applied to reimburse the Credit Facility Provider for the draw under the Credit Facility as a result of casualty or condemnation of the Project and (2) a written direction by the Credit Facility Provider to redeem such Series A Bonds using money obtained as a result of such draw upon the Credit Facility; or

* Preliminary; subject to change.

(ii) after the Conversion Date in whole or in part, upon receipt by the Trustee of amounts from the Credit Facility Provider pursuant to the Credit Facility as a result of the occurrence of an event of default (after expiration of any notice and cure periods) under any Bond Loan Document and receipt by the Trustee of a written direction by the Credit Facility Provider to redeem the Series A Bonds pursuant to the Credit Facility; or

(iii) in part, through mandatory sinking fund redemption, as provided in “Mandatory Sinking Fund Redemption” below; or

(iv) five (5) calendar days after the Conversion Date Deadline, in whole, if the Conversion Date has not occurred on or prior to the Conversion Date Deadline, as such date may be extended pursuant to the Indenture, payable with respect to principal first, from money on deposit in the Series A Collateral Account and second, from money on deposit in the Series A Bond Proceeds Account and accrued but unpaid interest to the redemption date, first, from money on deposit in the Series A General Account and second, from money in the Series A Negative Arbitrage Account, and other Eligible Funds available or made available for such purpose at the written direction of the Borrower; or

(v) on the Conversion Date, in part, in an amount equal to the positive difference, if any, between (i) the aggregate principal amount of the Series A Bonds Outstanding as of the first day of the month in which the Conversion Date occurred and (ii) the Actual Bond Loan Amount, payable with respect to principal first, from money on deposit in the Series A Bond Proceeds Account and second, from money on deposit in the Series A Collateral Account, and with respect to accrued but unpaid interest to the redemption date, first, from money on deposit in the Series A General Account and second, from money on deposit in the Series A Negative Arbitrage Account, and any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

Mandatory Sinking Fund Redemption of Series A Bonds

The Series A Bonds are subject to mandatory sinking fund redemption on the dates and in the amounts set forth in the table below; provided that if less than all the Series A Bonds shall have been redeemed pursuant to the Indenture, the amount of Bonds to be redeemed in each year from sinking fund installments as provided in the Indenture shall be decreased by an amount, in proportion, as nearly as practicable, to the decrease in the payments on the Bond Loan in such year as determined by the Trustee (in consultation with the Servicer):

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>

Optional Redemption of Series B Bonds

The Series B Bonds are not subject to optional redemption prior to May 1, 2027*. On or after May 1, 2027*, the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption date with respect to any subsequent Remarketing Period and, thereafter, the Series B Bonds are subject to optional redemption in whole but not in part by the Issuer at the written direction of the Borrower (with delivery of a Cash Flow Projection and written notice to the Trustee at least 30 days prior to the proposed redemption date) on any Business Day during such Remarketing Period at a redemption price of 100% of the principal amount of such Series B Bonds to be redeemed plus accrued interest to the applicable redemption date.

Mandatory Redemption for Failure to Remarket Series B Bonds

The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Series B Bonds; (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein; or (iii) the proceeds of a remarketing on deposit in the Series B Remarketing Proceeds Account at 11:00 a.m., New York time, on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Series B Bonds on such Mandatory Tender Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from [, in order,] (i) amounts on deposit in the Series B Collateral Account, (ii) amounts on deposit in the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Account, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

Mandatory Redemption of Series B Bonds on Conversion Date

The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on the Conversion Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Series B Collateral Account, (ii) amounts on deposit in the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Account, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

Selection of Series A Bonds for Redemption

On and after the Conversion Date, the Trustee shall select Series A Bonds subject to mandatory sinking fund redemption pursuant to the Indenture by lot within the appropriate maturity. If less than all the Series A Bonds then Outstanding shall be called for redemption other than as a result of mandatory

* Preliminary; subject to change.

sinking fund redemption pursuant to the Indenture, the Trustee shall redeem an amount of Series A Bonds so that the resulting decrease in debt service on the Series A Bonds in each semiannual period ending on an Interest Payment Date is proportional, as nearly as practicable, to the decrease in the payments on the Bond Note in each such semiannual period, as determined by the Trustee in consultation with the Servicer, and the Bonds shall be selected by lot within each maturity, the cost of such selection being at the Borrower's expense.

Any Bonds shall be redeemed pursuant to the Indenture only in Authorized Denominations.

Notice of Redemption

Notice of the intended redemption of each Bond shall be given by the Trustee by first class mail, postage prepaid, or by Electronic Notice, to the registered Owner at the address of such Owner shown on the Bond Register. All such redemption notices shall be given not less than twenty (20) days (not less than fifteen (15) days in the case of a mandatory redemption of the Bonds on the Conversion Date and not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. On and after the Conversion Date, the Trustee may provide a conditional notice of redemption of Series A Bonds upon the direction of the Credit Facility Provider or the Borrower (with the prior written consent of the Credit Facility Provider).

Notices of redemption shall state the redemption date and the redemption price, the place or places where amounts due upon such redemption will be payable, and, if less than all of the then Outstanding Bonds are called for redemption, shall state (i) the numbers of the Bonds to be redeemed by giving the individual certificate number of each Bond to be redeemed or shall state that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption only if bonds cease to be book entry bonds; (ii) the CUSIP numbers of all Bonds being redeemed if available; (iii) the amount of each Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Bond as originally issued; (v) the rate of interest borne by each Bond redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the possibility of a purchase of Bonds in lieu of redemption, if applicable; (viii) the conditions, if any, which must be satisfied in order for the redemption to take place on the scheduled date of redemption, including, as provided in the Indenture, that Eligible Funds are available to pay any redemption premium or the redemption price, as and if applicable, on the Bonds; and (ix) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each notice of redemption shall state that further interest on such Bonds will not accrue from and after the redemption date and that payment of the principal amount and premium, if any, will be made upon presentation and surrender of the Bonds at the Principal Office of the Trustee unless the Bonds are then held in a book entry only system of registration.

Notice of such redemption shall also be sent by first class mail, overnight delivery service, Electronic Notice or other secure means, postage prepaid, to the Credit Facility Provider, to the Servicer, to the Rating Agency, to all of the Securities Depositories and to the Information Service that disseminates securities redemption notices, when possible, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

In addition to providing notice of redemption as set forth above, if the Bonds are no longer held in book-entry form, the Trustee shall send a second notice of redemption within sixty (60) days following the redemption date, by first class mail, overnight delivery service, or other secure means, postage prepaid to

the registered Owners of any Bonds called for redemption, at their addresses appearing on the Bond Register as of the Record Date immediately preceding the redemption date, who have not surrendered their Bonds for redemption within thirty (30) days following the redemption date.

Failure to give notice by mailing to the registered Owner of any Bond designated for redemption or to any depository or Information Service shall not affect the validity of the proceedings for the redemption of any other Bond if notice of such redemption shall have been mailed as herein provided.

Effect of Notice of Redemption

If a conditional notice of redemption has been provided pursuant to the terms of the Indenture and the conditions are not satisfied, such notice of redemption shall be of no force and effect and the Bondholders shall be restored to their former positions as though no such notice of redemption had been delivered. Notice of redemption having been given in the manner provided in the Indenture and if either there were no conditions to such redemption or the conditions have been satisfied, and money for the redemption being held by the Trustee or Paying Agent for that purpose, thereupon the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue on such date; and such Bonds shall thereafter no longer be entitled to any security or benefit under the Indenture except to receive payment of the redemption price thereof.

Purchase of Series A Bonds in Whole in Lieu of Redemption following the Conversion Date

Notwithstanding anything in the Indenture to the contrary, on and after the Conversion Date, at any time the Series A Bonds are subject to redemption in whole pursuant to the provisions of the Indenture, all (but not less than all) of the Series A Bonds to be redeemed may be purchased by the Trustee (for the account of the Borrower or the Credit Facility Provider or their respective designee, as directed by such party) on the date which would be the redemption date at the direction of the Credit Facility Provider or the Borrower, with the prior written consent of the Credit Facility Provider (which direction shall specify that such purchase is pursuant to the Indenture and shall be given no later than 5:00 p.m., Washington, D.C. time on the Business Day immediately prior to such redemption date), at a purchase price equal to the redemption price which would have been applicable to such Series A Bonds on the redemption date. The Series A Bonds shall be purchased in lieu of redemption only from amounts provided by the Credit Facility Provider or from other Eligible Funds. In the event the Trustee is so directed to purchase Series A Bonds in lieu of redemption, no notice to the holders of the Series A Bonds to be so purchased (other than the notice of redemption otherwise required hereunder) shall be required, and the Trustee shall be authorized to apply to such purpose the funds in the Redemption Fund which would have been used to pay the redemption price for such Series A Bonds if such Series A Bonds had been redeemed rather than purchased. Such Series A Bonds so purchased for the account of the Borrower shall for all purposes under the Indenture constitute Purchased Bonds held by the Custodian pursuant to the Pledge Agreement. Following the Conversion Date, the Credit Facility Provider shall have the right to direct the transfer of Purchased Bonds (without reinstatement of the Credit Facility which will result in such Series A Bonds being unrated) to the Credit Facility Provider or any subsidiary of the Credit Facility Provider, or to a single Bondholder which has provided the Trustee with a purchaser's letter in the form attached as an exhibit to the Indenture (and otherwise subject to the provisions of the Indenture), provided that any transfer to the Credit Facility Provider, any subsidiary of the Credit Facility Provider or a single Bondholder as described above, shall require delivery of an opinion of Bond Counsel to the Trustee to the effect that such transfer will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series A Bonds. Such Purchased Bonds, if not transferred as provided herein, shall be deemed redeemed and cancelled automatically by the Trustee on the date which is not later than two (2) years from the date of purchase, unless an opinion of Bond Counsel is delivered to the Trustee to the effect that not redeeming and canceling such Purchased Bonds will not adversely affect the excludability from gross income for

federal income tax purposes of interest on the Series A Bonds. Any purchase of Series A Bonds hereunder is not intended as an extinguishment of the debt represented by the Series A Bonds.

Mandatory Tender of Series B Bonds

Purchase of Series B Bonds on Mandatory Tender Dates. All Outstanding Series B Bonds shall be subject to mandatory tender by the Bondholders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Series B Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

Holding of Tendered Series B Bonds. While tendered Series B Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering Bondholders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Series B Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Series B Bonds had not been tendered for purchase.

Purchase of Tendered Series B Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Series B Bonds on deposit in the Series B Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Series B Bonds tendered for purchase not later than 11:30 a.m., New York time, on the Mandatory Tender Date.

Cancellation of Remarketing. In the event the Series B Bonds must be redeemed as a result of the occurrence of any of the events listed under the heading “Redemption of Bonds Prior to Maturity — Mandatory Redemption for Failure to Remarket Series B Bonds” above, the remarketing shall be cancelled and all Series B Bonds outstanding on the Mandatory Tender Date shall be redeemed as described under the heading “Redemption of Bonds Prior to Maturity — Mandatory Redemption for Failure to Remarket Series B Bonds” above.

Undelivered Series B Bonds. Series B Bonds shall be deemed to have been tendered for purposes of the Indenture whether or not the Bondholders shall have delivered such undelivered Series B Bonds to the Trustee, and subject to the right of the holders of such undelivered Series B Bonds to receive the purchase price of such undelivered Series B Bonds on the Mandatory Tender Date, such undelivered Series B Bonds shall be null and void. If such undelivered Series B Bonds are to be remarketed, the Trustee shall authenticate and deliver new Series B Bonds in replacement thereof pursuant to the remarketing of such undelivered Series B Bonds.

Notice of Mandatory Tender for Series B Bonds

Notice to Holders. No later than the 30th day prior to a Mandatory Tender Date, the Trustee shall give written notice of a mandatory tender on the Mandatory Tender Date to the holders of the Series B Bonds Outstanding (with a copy to the Borrower, the Issuer, the Investor Member, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

- (i) the Mandatory Tender Date and that (A) if certain conditions are met, all Outstanding Series B Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Series B Bonds must be tendered for purchase no later than 9:00 a.m., New York time, on the Mandatory Tender Date and (C) Bondholders will not have the right to elect to retain their Series B Bonds;

(ii) the address of the designated corporate trust office of the Trustee at which Bondholders should deliver their Series B Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Series B Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Series B Bonds plus interest accrued to the Mandatory Tender Date;

(iv) that if, in the event that the conditions to remarketing set forth in the Indenture are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the Series B Bonds on the Mandatory Tender Date, all of the Series B Bonds will be redeemed, without further notice, on the Mandatory Tender Date; and

(v) that any Series B Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

Second Notice. In the event that any Series B Bond required to be delivered to the Trustee for payment of the purchase price of such Series B Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Series B Bond to the Trustee and stating that delivery of the Series B Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Series B Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Series B Bond.

Failure to Give Notice. Neither failure to give or receive any notice described in the Indenture, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in the Indenture.

Extension of the Conversion Date Deadline

At any time prior to the Conversion Date Deadline, the Borrower may extend the Conversion Date Deadline in connection and commensurate with an extension of the Forward Commitment Maturity Date by (i) providing to the Trustee, the Construction Lender, the Servicer, the Issuer, the Rating Agency and the Underwriter written notice of any extension of the Conversion Date Deadline, including written confirmation from the Servicer that the Forward Commitment Maturity Date is extended in accordance with the provisions of the Forward Commitment, (ii) depositing with the Trustee Eligible Funds for the credit of the Series A Negative Arbitrage Account any Extension Deposit set forth in a Cash Flow Projection, (iii) delivering to the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit, (iv) delivering to the Trustee confirmation by the Rating Agency of the then-current rating on the Series A Bonds, and (v) if the Series B Bonds remain Outstanding, all the conditions to the remarketing of the Series B Bonds for a Remarketing Period extending through such extended Forward Commitment Maturity Date have been satisfied. Extension Deposits may continue to be made by or on behalf of the Borrower until the Conversion Date occurs or the Borrower declines to make an Extension Deposit resulting in a mandatory redemption of the Series A Bonds pursuant to the Indenture provided, however, the Conversion Date Deadline may not be extended to a date that is later than six months beyond the original Forward Commitment Maturity Date unless, prior to any extension beyond such date, there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Series A Bonds from gross income for Federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower.

SECURITY FOR THE BONDS

General

Under the Indenture, the Issuer grants to the Trustee a security interest in the following property described below to secure the Bonds (said property being herein referred to as the “Trust Estate”). The Trust Estate is granted to the Trustee in order to secure the payment of principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and, following Conversion, the payment to Freddie Mac of the Freddie Mac Reimbursement Amount and the Freddie Mac Credit Enhancement Fee or the payment of amounts due and owing to any other Credit Facility Provider following termination of the Credit Enhancement Agreement, and the performance and observance by the Issuer of all the covenants expressed or implied in the Indenture and in the Bonds:

(a) all right, title and interest of the Issuer in and to all Revenues (other than the Unassigned Rights of the Issuer);

(b) all right, title and interest of the Issuer in and to the Financing Agreement, the Bond Note and, following the Conversion Date, the Bond Mortgage and the Credit Facility, including all extensions and renewals of the terms thereof, if any (other than the Unassigned Rights of the Issuer), including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards subject to the interest of the Credit Facility Provider under the Reimbursement Agreement and the Intercreditor Agreement), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer or any other Person is or may become entitled to do under said documents; and

(c) except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund, the Credit Facility Reimbursement Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time thereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds (other than the Unassigned Rights of the Issuer) by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Limited Obligations

The Bonds are limited obligations of the Issuer, payable solely from the Trust Estate including, following Conversion, from moneys available to be drawn by the Trustee under the Credit Facility. Neither the Commissioners nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be a debt of the County, the State or any political subdivision thereof (other than the Issuer) and neither the County, nor the state or any political subdivision thereof (other than the Issuer) shall be liable thereon, nor in any event shall such Bonds be payable out of any funds or properties other than those of the Issuer pledged therefor pursuant to the Indenture. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Issuer has no taxing power.

Credit Enhancement Agreement

Pursuant and subject to the terms and conditions of the Forward Commitment and the Construction Phase Financing Agreement (and subject to the satisfaction on or before the Forward Commitment Maturity Date of the Conditions to Conversion set forth in the Construction Phase Financing Agreement), Freddie Mac agrees to deliver to the Trustee the Credit Enhancement Agreement upon the satisfaction of the Conditions of Conversion and the occurrence of the Conversion Date pursuant to which, subject to certain requirements set forth therein, Freddie Mac is required to pay Guaranteed Payments with respect to the Series A Bonds when and in the amounts due, and the Purchase Price of the Series A Bonds in the event of a purchase in lieu of redemption in accordance with the terms of the Indenture and Credit Enhancement Agreement. The Construction Phase Financing Agreement requires, as a Condition to Conversion, that the Series B Bonds be redeemed at or prior to the Conversion Date. Freddie Mac is not providing any credit enhancement in connection with the Series B Bonds and has no obligations with respect to the Series B Bonds. See “APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT”.

Information regarding the Reimbursement Agreement is contained in “APPENDIX F — SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT” and further information regarding Freddie Mac is contained herein under the caption “FREDDIE MAC.”

FREDDIE MAC

The information presented under this caption “FREDDIE MAC” has been supplied by Freddie Mac. None of the Issuer, the Trustee, the Owner or the Underwriter has independently verified such information, and none assumes responsibility for the accuracy of such information. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.

General

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act (the “Freddie Mac Act”). Freddie Mac’s mission is to provide liquidity, stability and affordability to the U.S. housing market. Freddie Mac does this primarily by purchasing single-family and multifamily residential mortgages originated by lenders. In most instances, Freddie Mac packages these mortgages into guaranteed mortgage-related securities, which are sold in the global capital markets, and transfers interest rate and liquidity risk to third-party investors. In addition, Freddie Mac transfers a portion of its mortgage credit risk exposure to third-party investors through its credit risk transfer programs, which include securities- and insurance-based offerings. Freddie Mac also invests in mortgages and mortgage-related securities. Freddie Mac does not originate mortgage loans or lend money directly to mortgage borrowers.

Although Freddie Mac is chartered by Congress, Freddie Mac alone is responsible for making payments on its securities and obligations. Freddie Mac’s payment obligations under the Credit Enhancement Agreement are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.

Conservatorship

Freddie Mac operates under the conservatorship that commenced on September 6, 2008, conducting its business under the direction of the Federal Housing Finance Agency (“FHFA”), Freddie Mac’s conservator (the “Conservator”). The Conservator has authorized Freddie Mac’s Board of Directors (the “Board”) to oversee management’s conduct of Freddie Mac’s business operations so Freddie Mac can

operate in the ordinary course. The Conservator also retains certain significant authorities for itself and has not provided them to the Board. The Conservator continues to provide strategic direction for Freddie Mac and directs the efforts of the Board and management to implement its strategy.

Freddie Mac's future structure and role in the mortgage industry will be determined by the executive branch of the U.S. government, Congress, and FHFA. It is possible, and perhaps likely, that there will be significant changes that will materially affect Freddie Mac's business model and results of operations. Some or all of Freddie Mac's functions could be transferred to other institutions, and Freddie Mac could cease to exist as a stockholder-owned company.

The conservatorship is indefinite in duration. The likelihood, timing, and circumstances under which Freddie Mac might emerge from conservatorship are uncertain. Even if the conservatorship is terminated, Freddie Mac would remain subject to the senior preferred stock purchase agreement (as amended, the "Purchase Agreement") with the U.S. Department of the Treasury ("Treasury"), and the terms of the senior preferred stock unless they are terminated or amended. Even if the conservatorship ends and the voting rights of common stockholders are restored, Freddie Mac could effectively remain under the control of the U.S. government because of the Purchase Agreement, Treasury's warrant to acquire nearly 80% of Freddie Mac's common stock for nominal consideration, or Treasury's ownership of Freddie Mac's common stock after it exercises its warrant.

See the Incorporated Documents (as defined under Additional Information) for additional information concerning the conservatorship and legislative and regulatory developments as well as the legal and compliance risks Freddie Mac faces.

Purchase Agreement

On September 7, 2008, Treasury entered into the Purchase Agreement with Freddie Mac's Conservator, acting on Freddie Mac's behalf. The amount of available funding remaining under the Purchase Agreement was \$140.2 billion as of December 31, 2023. This amount will be reduced by any future draws. The Purchase Agreement requires Treasury, upon the request of the Conservator, to provide funds to Freddie Mac after any quarter in which Freddie Mac has a negative net worth (that is, Freddie Mac's total liabilities exceed its total assets, as reflected on its consolidated balance sheets prepared in accordance with generally accepted accounting principles). The Purchase Agreement also provides for Treasury, upon the request of the Conservator, to provide funds to Freddie Mac if the Conservator determines, at any time, that it will be mandated by law to appoint a receiver for Freddie Mac unless Freddie Mac receives these funds from Treasury. Holders have certain limited rights to bring proceedings against Treasury if Freddie Mac fails to pay under its guarantee and if Treasury fails to perform its obligations under its funding commitment. The Purchase Agreement contains covenants that significantly restrict Freddie Mac's business and capital activities. On January 14, 2021, Freddie Mac, acting through FHFA as its Conservator, and Treasury entered into a letter agreement to further amend the Purchase Agreement and terms of the senior preferred stock. Among other things, under the January 2021 amendments to the Purchase Agreement, Freddie Mac is required to cap multifamily loan purchases at \$80 billion in any 52-week period, subject to annual adjustment by FHFA based on changes in the Consumer Price Index. At least 50% of Freddie Mac's multifamily loan purchases in any calendar year must be, at the time of acquisition, classified as mission-driven pursuant to FHFA guidelines. The Purchase Agreement with Treasury is critical to keeping Freddie Mac solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. See the Incorporated Documents for additional information concerning the Purchase Agreement and the terms of the senior preferred stock.

Additional Information

Freddie Mac's common stock is registered with the U.S. Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 ("Exchange Act"). As a result, Freddie Mac files reports and other information with the SEC.

As described below, Freddie Mac incorporates certain documents by reference in this Official Statement, which means that Freddie Mac is disclosing information to you by referring you to those documents rather than by providing you with separate copies. Freddie Mac incorporates by reference in this Official Statement:

- Its most recent Annual Report on Form 10-K, filed with the SEC.
- All other reports Freddie Mac has filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K report, excluding any information Freddie Mac "furnishes" to the SEC on Form 8-K.
- All documents that Freddie Mac files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering of the related Bonds, excluding any information Freddie Mac "furnishes" to the SEC on Form 8-K.

These documents are collectively referred to as the "Incorporated Documents" and are considered part of this Official Statement. You should read this Official Statement in conjunction with the Incorporated Documents. Information that Freddie Mac incorporates by reference will automatically update information in this Official Statement. Therefore, you should rely only on the most current information provided or incorporated by reference in this Official Statement.

You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

Freddie Mac also makes the Incorporated Documents available on its website at this address:

Website*: www.freddiemac.com

Freddie Mac makes no representations as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Credit Enhancement Agreement.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS

* Freddie Mac is providing this and other internet addresses solely for the information of investors. Freddie Mac does not intend these internet addresses to be active links and Freddie Mac is not using references to these addresses to incorporate additional information into this Official Statement, except as specifically stated in this Official Statement.

NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

PLAN OF FINANCING

The estimated sources and uses for the Project are projected to be approximately as follows:

Sources of Funds*	
Series A Bonds	\$13,220,000
Series B Bonds	6,130,000
Tax Credit Equity	12,090,459
Housing Blueprint Subordinate Loan	8,000,000
Deferred Developer Fee	1,874,813
Short-Term Bond Reinvestment Proceeds	2,002,725
Solar Investment Tax Credit Proceeds	<u>62,858</u>
Total	<u>\$43,380,855</u>
Uses of Funds*	
Construction Hard Costs	\$24,897,172
Project Soft Costs	1,357,918
Tax Credit Fees	165,017
Costs of Issuance	1,225,539
Financing Costs	5,345,088
Closing Costs	68,050
Escrows and Reserves	1,022,071
Developer Fee	3,170,000
Repayment of Series B Bond Principal	<u>6,130,000</u>
Total	<u>\$43,380,855</u>

All costs of issuing the Bonds, including the Underwriter’s fee, will be paid by the Borrower.

The Construction Loan. The Project will utilize the Construction Loan in an amount of up to \$28,597,987*, which will be secured by a senior mortgage on the Project and the obligation to repay the Construction Loan will be evidenced by a promissory note (the “Construction Loan Note”) from the Borrower to the Construction Lender. The Construction Note will have a term of 36 months, with an option for one six-month extension, and will bear interest at a variable rate adjusted monthly to the sum of the One Month Term Secured Overnight Financing Rate, in no event less than 0.50%, plus 2.10% per annum, with no payments of principal during the term, and with all unpaid principal and interest due at maturity. A portion of the Construction Loan proceeds, of up to \$19,350,000*, will be disbursed from time to time by the Construction Lender to the Trustee for deposit into the Collateral Fund to allow for a corresponding amount of Bond proceeds to be disbursed to the Project.

The Low Income Housing Tax Credit Proceeds. Prior to the issuance of the Bonds, the Borrower expects to admit the Investor Member with a 99.98% ownership interest in the Borrower and to admit the

* Preliminary; subject to change.

Special Member with a 0.01% ownership interest. Pursuant to the sale, the funding of the Federal Low Income Housing Tax Credit equity will total approximately \$12,090,459*, with approximately \$2,409,439* expected to be funded when the Bonds are issued. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The Housing Blueprint Subordinate Loan. The Project will also utilize a subordinate loan in the principal amount of \$8,000,000* (the “Subordinate Loan”). The obligation to repay the Subordinate Loan will be set forth in a promissory note (the “Subordinate Note”) from the Borrower to Fairfax County Redevelopment and Housing Authority (the “Subordinate Lender”) and will be repayable on the terms and conditions set forth therein. The Subordinate Note will be secured by a subordinate mortgage against the Project subordinate to the Construction Loan. The Subordinate Note will have a term of 30 years after substantial completion of the Project and will bear interest at a rate of 2% per annum, with annual principal and interest being cash-flow dependent and, if not otherwise paid, due at maturity.

Deferred Developer Fee. The Project will utilize deferred developer fee in the anticipated amount of \$1,874,813* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

The Solar Investment Tax Credit Proceeds. Prior to the issuance of the Bonds, the Borrower expects to admit the Investor Member with a 99.98% ownership interest, and to admit the Special Member with a 0.01% ownership interest in the Borrower. Pursuant to the sale, the funding of the Solar Investment Tax Credit equity will total approximately \$62,858*, expected to be funded at Conversion. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Project Regulation

In order to obtain low-income housing tax credits, the Project will be operated as a qualified residential rental project and will qualify for the minimum 40-60 set-aside test with 100% of the residential units in the Project occupied by Lower-Income Tenants (as defined in the Land Use Restriction Agreement) during the Affordability Period (as defined in the Land Use Restriction Agreement), in accordance with Section 142(d) of the Code. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement (defined below), the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the low-income housing tax credits (the “LIHTCs”) anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the “Tax Credit Units”). Within the Project, (i) eight of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 40% of the AMI adjusted for family size, (ii) 58 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size, and (iii) eight of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 70% of the AMI

* Preliminary; subject to change.

adjusted for family size, and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of household income of the restricted AMI adjusted for family size.

[Note to describe condominiumized ground lease. There are 4 ground leases for each of the projects in the two side-by-side 9-4, 9-4 projects. Those ground leases will be subjected to the condominium regime. The condos are land condos for structuring and will include 8 units, 4 parking units and 4 residential units. The LIHTC owners will own one of each and will include any shared amenities. Those shared amenities will be governed by a reciprocal easement agreement (also in process).] **Borrower counsel to provide this description.**

PRIVATE PARTICIPANTS

The following has been provided solely by the Borrower. Certain financial information with respect to the Project is included herein. Neither the Issuer, Freddie Mac nor any of their officers or employees, make any representations as to the accuracy or sufficiency of such information.

The Borrower

The Borrower is RGC2 Northwest 4 Owner LLC, a Virginia limited liability company. The Borrower is a single-asset entity formed for the specific purpose of developing and owning the Project. The managing member of the Borrower is RGC2 Northwest 4 MM LLC, a Delaware limited liability company (the “Managing Member”), which will own a 0.01% interest in the Borrower. Hudson RGC2 Northwest 4 LLC, a Delaware limited liability company (the “Investor Member”), will have a 99.98% interest in the Borrower. Hudson SLP LLC, a Delaware limited liability company (the “Special Member”), will have a 0.01% interest in the Borrower.

The Developer

The developer is RGC2 Northwest 4 Developer LLC, a Delaware limited liability company (the “Developer”), located in Santa Monica, California. The Developer is an affiliate of Lincoln Avenue Capital LLC, a Delaware limited liability company, now doing business as Lincoln Avenue Communities (the “Sponsor”). The Sponsor was started in 2016 and has seven years of experience in affordable housing development. The Sponsor has developed more than 1,700 units in 16 states.

The Investor Member

Prior to the issuance of the Bonds, the Borrower will admit the Investor Member with a 99.98% ownership interest in the Borrower. In connection with such admission, the Investor Member is expected to fund approximately \$12,090,459* of tax credit equity to the Project, to be paid in stages during and after construction of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Limited Assets and Obligations of Borrower, Managing Member and Investor Member

The Borrower has no substantial assets other than the Project and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the development and ownership of the Project. However, the members of the Managing Member, the Investor Member, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as

* Preliminary; subject to change.

officers, members or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower under the Financing Agreement and the Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its members have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Project. Accordingly, neither the Borrower’s financial statements nor those of its members are included in this Official Statement.

The Architect

The architect is KTG Y Group, Inc. (the “Architect”). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 33 years and has been the principal architect for 492 multifamily developments.

The General Contractor

The general contractor for the project is Harkins Builders, Inc. (the “General Contractor”). The General Contractor is not an affiliate of the Developer. Based out of Columbia, Maryland, the General Contractor was formed in Maryland and is a Virginia-licensed contractor. Since 2000, the General Contractor has built or rehabilitated over 4,023 units of affordable apartments in Virginia.

The Property Manager

Franklin Johnston Group Management & Development, LLC, a Virginia limited liability company (the “Property Manager”), will manage the Project following the acquisition and construction of the Project by the Borrower. The Property Manager is not an affiliate of the Developer. The Property Manager presently manages approximately 30,633 affordable housing units in Virginia and in other states. The Property Manager has 11 years of experience managing affordable housing supported by various federal, state and local subsidies including HUD, tax-exempt obligations and federal low-income housing tax credits.

THE PROJECT

The following information concerning the Project has been provided by representatives of the Borrower and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Project, known as Residences at Government Center 2 - NW4, is located in Fairfax, Virginia, on an approximately 1.7-acre site. Construction of the Project is anticipated to commence in November 2024 and be completed approximately 22 months later.

The building construction consists of a portion of one building, including 74 residential units with community space. Common area improvements and site amenities will include: shared fitness center with exercise equipment, interior bike racks and storage, furnished community rooms, lobby area with secure package storage, outdoor playgrounds and recreation areas. Unit amenities will include: living room/dining area, modern kitchen with energy-star appliances, storage closets, carpet and vinyl plank flooring, wood base trim and doors, in-unit washer and dryer hook-ups, broadband internet, and a private balcony. There are 74 parking spaces for resident use only.

The unit mix and approximate square footage for the units of the Project is as follows:

<u>Unit Type</u>	Average Square Feet	Number of Units
1-BR/1 Bath (40% AMI)	671	3
1-BR/1 Bath (60% AMI)	671	24
1-BR/1 Bath (70% AMI)	671	3
2-BR/2 Bath (40% AMI)	924	3
2-BR/2 Bath (60% AMI)	924	28
2-BR/2 Bath (70% AMI)	924	3
3-BR/2 Bath (40% AMI)	1,106	2
3-BR/2 Bath (60% AMI)	1,106	6
3-BR/2 Bath (70% AMI)	1,106	<u>2</u>
TOTAL		74

THE SERVICER

The information under this heading has been provided solely by the Servicer and has not been independently verified by the Issuer, the Trustee, the Borrower, the Underwriter, Freddie Mac or any of their respective counsel, members, officers or employees or Bond Counsel. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer, the Trustee, the Borrower, the Underwriter, Freddie Mac or any of their respective counsel, members, officers or employees or Bond Counsel.

Following Conversion, Capital One, National Association (the “Servicer”) will perform mortgage servicing functions with respect to the Bond Loan pursuant to the Reimbursement Agreement and related documents on behalf of and in accordance with Freddie Mac requirements. The servicing arrangements between Freddie Mac and the Servicer for servicing the Bond Loan are solely between Freddie Mac and the Servicer and neither the Issuer nor the Trustee is deemed to be a party thereto or has any claim, right, obligation, duty or liability with respect to the servicing of the Bond Loan.

The Servicer will be obligated, pursuant to its arrangements with Freddie Mac and Freddie Mac’s servicing requirements, to perform diligently all services and duties customary to the servicing of mortgages, as well as those specifically prescribed by Freddie Mac. Freddie Mac will monitor the Servicer’s performance and has the right to remove the Servicer with or without cause. The duties performed by the Servicer include general loan servicing responsibilities, collection and remittance of principal and interest payments, administration of mortgage escrow accounts and collection of insurance claims.

CERTAIN BONDHOLDERS’ RISKS

The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.

No Borrower Personal Liability

The Borrower has not been nor will it be (subject to certain limited exceptions to non-recourse liability set forth in the Financing Agreement and the Bond Mortgage) personally liable for payments on the Bond Loan, nor under the other Bond Financing Documents. All payments on the Bond Loan are expected to be derived from revenues generated by the Project.

Credit Facility; Primary Security

After Conversion, the primary security for the Series A Bonds will be the Credit Facility delivered by Freddie Mac to the Trustee in order to pay the principal of, premium, if any, and interest on the Bonds. Based on this expectation, no financial information as to the creditworthiness of the Borrower or the value of the Project is included herein. Please note, Freddie Mac is not providing any credit enhancement in connection with the Series B Bonds and has no obligations with respect to the Series B Bonds.

It is possible, in the event of the insolvency of the Credit Facility Provider, or the occurrence of some other event precluding the Credit Facility Provider from honoring its obligations to make payments as stated in the Credit Facility, that the financial resources of the Borrower will be the only source of payment on the Bonds. There can be no assurance that the financial resources of the Borrower would be sufficient to pay the principal, premium if any, and interest on the Bonds in the event the Trustee were forced to seek recourse against the Borrower. See "SECURITY FOR THE BONDS" herein.

Limited Liability of the Issuer

The Bonds, and the premium, if any, and interest thereon, are limited obligations of the Issuer, the principal of, premium, if any, and interest on which are secured by and payable solely from the Trust Estate.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Early Redemption or Mandatory Purchase

Purchasers of Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such a Bond trading at a price in excess of par, should consider the fact that the Bonds are subject to redemption or mandatory purchase at a redemption or purchase price equal to their principal amount plus accrued interest as described herein. This could occur, for example, in the event that the Bond Loan is prepaid as a result of a casualty or condemnation award payments affecting the Project or there is a default under the Bond Mortgage. See "THE BONDS – Redemption of Bonds Prior to Maturity.,"

No Acceleration or Redemption upon Loss of Tax Exemption

One condition to the Delivery Date is that the Borrower will covenant and agree to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. The financing documents contain provisions and procedures designed to assure compliance with such covenant. However, the Borrower's covenant to comply with the requirements of the Code is non-recourse to the Borrower, and the Borrower's liability is limited to the revenues and assets comprising the Project. Furthermore, the Borrower's failure to comply with such provisions will not constitute a default under the Bond Loan and will not give rise to a redemption or acceleration of the Bonds (unless Freddie Mac determines, at its option and in its sole and absolute discretion, that such failure will constitute such a default) and is not the basis for an increase in the rate of interest payable on the Bonds. **Consequently, interest on the Bonds following the Delivery Date may become includable in gross income for purposes of federal income taxation retroactive to the Delivery Date by reason of the Borrower's failure to comply with the requirements of federal tax law, and neither the Issuer, the Trustee nor the Bondholders will have remedies available to them to mitigate the adverse economic effects to the Bondholders of such inclusion by reason of the Borrower's non-compliance.**

Economic Feasibility

The economic feasibility of the Project depends in large part upon it being substantially occupied at projected rent levels. There can be no assurance that in the future the Borrower will be able to rent the units at rates which will enable them to make timely payments on the Bond Loan.

Permanent Phase Actual Bond Loan Amount

Based on current underwriting assumptions, the Forward Commitment amount is \$ _____*. The Forward Commitment permits the Actual Bond Loan Amount to be issued in an amount up to 10% greater than the principal amount of the Bonds if certain conditions are satisfied upon Conversion; however, there is no assurance that the underwriting will support the Forward Commitment amount, or an amount greater than the Forward Commitment amount if the other conditions to originating are satisfied.

Enforceability and Bankruptcy

The remedies available to the Trustee and the Bondholders upon an event of default under the Financing Agreement, the Credit Facility or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay.

Under existing laws and judicial decisions, the remedies provided under the aforesaid documents may not readily be available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the aforesaid documents will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Normal Risks

Normal risks attending any investment in real estate include possible adverse use of adjoining land, fire, earthquake or other casualty, condemnation, increased taxes, changes in demand for such facilities, increases in utility rates, adverse general and local economic conditions, energy shortages, a decline in property values in the Project, increases in operating costs due to inflation, non-compliance of tenants with the terms of their leases, unfavorable governmental regulation (such as enactment of rent controls), force

majeure and uninsurable risks, construction strikes and decrease in the relative popularity of real estate investments as contrasted with other investments. These risks and many others cannot be controlled by the Borrower and may have a substantial bearing on the profitability and financial feasibility of the Project, and which may affect the realizable value of the real estate and other collateral securing payment of the Bonds.

Management of the Project

The successful operation of the Project will depend, to a large extent, upon the management services provided by the manager of the Project and upon the ability of the Borrower to lease the units, keeping the Project substantially occupied through the term of the Bonds. There is no assurance that the manager will operate the Project on a profitable basis. There can be no assurance that the Project will be operated in a manner which will provide sufficient money to pay principal and interest on the Bonds and to operate and maintain the Project. See "PRIVATE PARTICIPANTS" herein.

Effect of Increases in Operating Expenses

It is impossible to predict future increases in operating expenses of the Project. Substantial increases in operating expenses will affect future net operating income of the Project and the ability of the Borrower to meet its debt service obligations, primarily, its reimbursement obligations to the Credit Facility Provider.

Performance of the Project and Estimated Rental Revenue Vacancies

The economic feasibility of the Project depends in large part upon the Project's being substantially occupied at levels adequate to maintain substantial occupancy throughout the term of the Bonds at sufficient rents and to cover all operating expenses of the Project and debt service on the Permanent Loan. Although representatives of the Borrower believe, based on surveys of the area where the Project is located, that a substantial number of persons currently need housing facilities such as the Project, occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the area served by the Project. While the Borrower believes the Project is needed, there may be difficulties in keeping it substantially occupied. Furthermore, no assurance can be given that the low-income tenants are able to afford the rental rates of the Project, notwithstanding the below-market rental rates. Restrictions imposed under the Code and related regulations, the Regulatory Agreement and other restrictive covenants, relating to tenant income and the rent that can be charged could have an adverse effect on the Borrower's ability to satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

Additional Bonds and Subordinate Financing

The Borrower may obtain additional financing for the Project at a future date subject to the prior written consent of the Credit Facility Provider. Such additional financing could be in the form of additional bonds issued by the Issuer. Additional bonds could be issued on a parity basis with the Bonds pursuant to a supplemental trust indenture provided that the issuance thereof was not materially adverse to the interest of the Bondholders. Such additional financing could also be in the form of a conventional loan the payment obligations with respect to which would be subordinate to the Borrower's payment obligations under the Bond Loan. In either case, the increased repayment obligations of the Borrower could increase the likelihood of an early redemption of the Bonds. Any such redemption would be at a price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

Future Legislation; IRS Examination

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations will not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the Trust Estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service (the “IRS”) has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “TAX MATTERS” herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

Potential Impact of Pandemics or Public Health Crises

The spread of the strain of a virus and resulting disease could alter the behavior of businesses and people in a manner that could have negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic would not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. The effects of a pandemic could include, among other things, an increase in the time necessary to complete the rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, interruption in the engagement of material participants in the Project and increased delinquencies and/or vacancies, all of which could impact the Borrower’s ability to make payments on the loans and result in a default and acceleration thereof.

Limitation of Remedies

Remedies available under the Indenture, the Financing Agreement, and the Regulatory Agreement are limited in certain respects. See “ENFORCEABILITY OF REMEDIES” herein.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Bonds. Such summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). It does not discuss all aspects of federal income taxation that may be relevant to investors in light of their own particular investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (including, but not limited to, dealers in securities or other persons who do not hold the Bonds as a capital asset, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State, it does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of purchasing, holding, and disposing of the Bonds.

Federal Tax Exemption

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Issuer and the Borrower and continuing compliance by the Issuer and the Borrower with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), except that interest on a Bond is not excludable while the Bond is held by a substantial user of the financed facilities or a related person as provided in the Code. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the "adjusted financial statement income" of "applicable corporations" for purposes of computing the alternative minimum tax imposed on such corporations, as such quoted terms are defined in the Code.

Section 103 of the Code provides generally that interest on qualified private activity bonds will be excludable from the gross income of the holder thereof. The Code imposes various requirements on the use and investment of the proceeds of such bonds, the maturity of and security for such bonds, the procedure for issuance of such bonds, the rebate of arbitrage profits to the Internal Revenue Service and filings with the Internal Revenue Service. In rendering its opinion, Bond Counsel has relied on the covenants, representations and certifications of the Issuer and the Borrower, including a covenant to rebate arbitrage profits in accordance with Section 148 of the Code. The inaccuracy of such representations or certifications or the failure by the Issuer or the Borrower to comply with such agreements or covenants could cause interest on the Bonds to be subject to federal income tax from the date of issuance of the Bonds or as of some later date. Bond Counsel has not undertaken to determine or to inform any person whether any actions taken or not taken or events occurring or not occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds.

Original Issue Premium

The Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a bond through reductions in the bondholder's tax basis for the bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Bondholders should consult their tax advisors for an explanation of the amortization rules.

Information Reporting and Backup Withholding

A person making payments of tax-exempt interest to a bondholder is generally required to make an information report of the payments to the Internal Revenue Service and to perform “backup withholding” from the interest if the bondholder does not provide an IRS Form W-9 to the payor. “Backup withholding” means that the payor withholds tax from the interest payments at the backup withholding rate, currently 24%. Form W-9 states the bondholder’s taxpayer identification number or basis of exemption from backup withholding.

If a holder purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding from the interest on the Bond.

If backup withholding occurs, it does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

No Other Opinions

Bond Counsel expresses no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

State Tax Exemption

Under existing law, interest on the Bonds is exempt from income taxation by the Commonwealth of Virginia. Bond Counsel will express no other opinion regarding other tax consequences with respect to the Bonds, including whether or not interest on the Bonds is subject to taxation under the laws of any jurisdiction other than the Commonwealth of Virginia.

General

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

The opinion of Bond Counsel will be delivered contemporaneously with the delivery of the Bonds substantially in the form attached hereto as APPENDIX H.

CONTINUING DISCLOSURE

The Borrower, as the only “obligated person” with respect to the Bonds, will enter into a Continuing Disclosure Agreement, dated as of October 1, 2024 (the “Continuing Disclosure Agreement”), with The Bank of New York Mellon Trust Company, N.A., acting as Dissemination Agent, pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”). Financial statements will be provided at least annually to the Municipal Securities Rulemaking Board (the “MSRB”) and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic

Municipal Market Access (“EMMA”) system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as Appendix I.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Financing Agreement (although Bondholders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower has not previously been subject to the continuing disclosure requirements of the Rule.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), a “participating underwriter” as defined in 15c2-12 and an “underwriter” as defined in Section 2(a)(11) of the Securities Act of 1933, as amended, has entered into the Bond Purchase Agreement to purchase all of the Bonds, if any of the Bonds are to be purchased, at the price set forth on the inside cover page hereof. The Bond Purchase Agreement provides that, as compensation for its services, the Underwriter will receive from the Borrower \$_____ plus \$_____ for certain fees and expenses related to the issuance of the Bonds. The Underwriter’s fee shall not include the fee of the Underwriter’s counsel. The obligation of the Underwriter to pay for the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Borrower has agreed to indemnify the Underwriter and the Issuer as to certain matters in connection with the Bonds.

The Underwriter may offer and sell the Bonds that it purchases to certain dealers including dealer banks and dealers depositing the Bonds into investment trusts and others at a price lower than the public offering price stated herein. The offering price of the Bonds may be changed from time to time by the Underwriter.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

The Underwriter and its affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates may have, from time to time, performed, and may in the future perform, various investment banking services either for the Issuer and/or the Borrower and affiliates thereof, for which they received or will receive customary fees and expenses. The Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

In addition to serving as Underwriter, Stifel, Nicolaus & Company, Incorporated has been designated to serve as the Remarketing Agent for the Series B Bonds and will receive a fee for its remarketing services in connection with the remarketing of the Series B Bonds on the Initial Mandatory Tender Date.

RATING

Moody's Investors Service, Inc. (the "Rating Agency") has assigned the ratings to the Bonds as shown on the cover page of this Official Statement. The ratings reflect only the views of the rating agency, and an explanation of the significance of such ratings may be obtained from it. No assurance can be given that the ratings will be maintained for any given period of time or that the ratings may not be revised downward, suspended or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change in, suspension or withdrawal of the ratings may have an adverse effect on the market price of the Bonds. The Underwriter and the Issuer have undertaken no responsibility after issuance of the Bonds to assure the maintenance of the ratings or to oppose any such revision, suspension or withdrawal.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the execution and delivery of the Indenture and the Financing Agreement are subject to the approving opinion of Ballard Spahr LLP, Washington, D.C., Bond Counsel, which will be furnished at the expense of the Borrower (the "Bond Counsel Opinion").

Certain legal matters will be passed upon for the Credit Facility Provider by its legal department and by its special counsel, Katten Muchin Rosenman LLP, Washington, D.C., for the Borrower by its counsel, Klein Hornig LLP, Washington, D.C., and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ABSENCE OF LITIGATION

The Issuer

On the date of issuance of the Bonds, the Issuer will deliver certificates to the effect that, to the knowledge of the Issuer, no litigation is pending or threatened against the Issuer (i) to restrain or enjoin the issuance of the Bonds, or contesting or questioning the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, or the pledge or application of any money or security provided for the payment of the Bonds or (ii) which questions the validity of the Indenture, the Financing Agreement, the Regulatory Agreement or the Bonds.

The Borrower

On the date of issuance of the Bonds, the Borrower is delivering a certificate that there is no pending or, to the knowledge of the Borrower, any threatened litigation against the Borrower adversely affecting the power or authority of the Borrower to enter into the Bond Financing Documents or that would materially adversely affect the Borrower's obligations under the Bond Financing Documents.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee and the owners of the Bonds upon an Event of Default under the Indenture, the Financing Agreement, the Credit Facility, if delivered, or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

RELATIONSHIP AMONG PARTIES

In connection with the issuance of the Bonds, the Issuer, the Borrower, and the Underwriter are being represented by the attorneys or law firms identified herein. In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Underwriter, the Borrower, or their affiliates, in capacities different from those described herein, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of those attorneys or firms to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Underwriter, the Borrower, or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

MISCELLANEOUS

Any statements herein involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer or the Borrower and the purchasers or owners of any of the Bonds. The Issuer makes no representations as to the accuracy or completeness of the contents of this Official Statement except with respect to the information under the sections “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer.”

Appendices A through I are integral parts of this Official Statement and should be read in conjunction with the foregoing material.

Certain provisions of the Act, the Indenture, the Credit Facility, the Code and other provisions of law are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents and laws for a full and complete statement of their respective provisions. All quotations from, and summaries and explanations of, the Act, the Indenture, the Credit Facility and the Code contained herein do not purport to be complete and reference is made to said documents for full and complete statements of their provisions. Copies of the Indenture and the Credit Facility may be obtained upon request directed to the Fairfax County Redevelopment and Housing Authority, 3700 Pender Drive, Fairfax, VA 22030.

The information contained herein is subject to change without notice and no implication is to be derived therefrom or from the offering of the Bonds that there has been no change in such information from the date of this Official Statement.

This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Any statements herein involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of any of the Bonds.

[Signature pages to follow]

This Official Statement has been approved by the Issuer and the Borrower for distribution by the Underwriter to potential purchasers of the Bonds.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton
Chair

[Signatures continue on next page]

[Borrower Signature Page to this Official Statement]

RGC2 NORTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Northwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

In addition to the terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this Official Statement. Terms used but not otherwise defined herein will have the meanings assigned to such terms in the Indenture or the Financing Agreement.

“Act” means the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended and supplemented from time to time.

“Actual Bond Loan Amount” means the amount of the Bond Loan that will be outstanding on the Conversion Date which shall be computed in accordance with the provisions set forth in the Construction Phase Financing Agreement.

“Administration Fund” means the Administration Fund established by the Trustee pursuant to the Indenture.

“Administration Fund Deposit” means the deposit to be made by the Borrower with the Trustee on the Delivery Date, which deposit shall equal \$[] and shall be comprised of sources other than the proceeds of the Bonds.

“Authorized Denomination” means (i) with respect to the Series A Bonds, \$5,000 principal amount or any integral multiple thereof within a maturity and (ii) with respect to the Series B Bonds, \$5,000, or any integral multiple of \$1,000 in excess thereof.

“Authorized Officer” means (a) when used with respect to the Issuer, any authorized representative of the Issuer described in the Bond Resolution and such additional Person or Persons, if any, duly designated by the Issuer in writing to act on its behalf, (b) when used with respect to the Borrower, Russell Condas and Tyler Conger of the managing member of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Trustee, any authorized signatory of the Trustee, or any Person who is authorized in writing to take the action in question on behalf of the Trustee, (d) when used with respect to the Servicer, any Person or Persons duly designated by the Servicer in writing to act on its behalf, and (e) when used with respect to the Credit Facility Provider, any Person who is authorized in writing to take the action in question on behalf of the Credit Facility Provider.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as now and thereafter in effect, or any successor federal statute.

“Bond” or “Bonds” means, individually or collectively as context may dictate, the Series A Bonds and the Series B Bonds.

“Bond Closing Memorandum” means the Bond Closing Memorandum prepared and delivered on or before the Delivery Date signed by the Borrower.

“Bond Counsel” means (a) Ballard Spahr LLP, or (b) any law firm selected by the Issuer and acceptable to the Credit Facility Provider, of nationally recognized standing in matters pertaining to the excludability from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

“Bond Financing Documents” means, collectively, the Indenture, the Bonds, the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Continuing Disclosure Agreement, the Construction Phase Financing Agreement, the Bond Purchase Agreement, the Remarketing Agreement and any Bond Loan Documents not otherwise included in the foregoing list of documents.

“Bond Fund” means the Bond Fund established by the Trustee pursuant to the Indenture.

“Bond Loan” means the loan made by the Issuer to the Borrower from the proceeds of the Bonds in the principal amount of \$19,350,000* pursuant to the Financing Agreement.

“Bond Loan Documents” means the Bond Note, the Financing Agreement, the Regulatory Agreement, and following Conversion, the Bond Mortgage, any Custodial Escrow Agreement, the Credit Facility, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement, the Pledge Agreement and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Bond Loan or any portion thereof, or evidencing, securing or otherwise relating to the Borrower’s obligations to the Credit Facility Provider in connection with the delivery of the Credit Facility.

“Bond Mortgage” means, with respect to the Series A Bonds, on and following the Conversion Date, the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date, together with all riders and addenda thereto, granting a first priority mortgage and security interest in the Project to the Issuer to secure the repayment of the Bond Loan outstanding on the Conversion Date which Bond Mortgage will be assigned by the Issuer to the Trustee as the same may be amended, supplemented or restated.

“Bond Note” means the Multifamily Note equal to the principal amount of the Bonds dated the Delivery Date from the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Bond Loan, as the same may be amended, supplemented or restated from time to time, which Bond Note will be delivered to the Issuer and endorsed by the Issuer to the Trustee.

“Bond Proceeds Fund” means the Bond Proceeds Fund established by the Trustee pursuant to the Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated October __, 2024, among the Underwriter, the Issuer and the Borrower.

“Bond Register” means the books or other records maintained by the Bond Registrar setting forth the registered Holders from time to time of the Bonds.

“Bond Registrar” means the Trustee acting as such, and any other bond registrar appointed pursuant to the Indenture.

“Bond Resolution” means the resolution adopted by the Issuer authorizing the issuance of the Bonds.

“Bond Year” means, with respect to an issue of Bonds, each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Bond Years may be short periods. If no day is selected by Borrower before the earlier of the final maturity of an issue of Bonds or the date that is five years after the Delivery Date of such issue of

* Preliminary; subject to change.

Bonds, each Bond Year ends on each anniversary of the Delivery Date for such issue of Bonds and on the final maturity of such issue of Bonds.

“Bondholder” or “Holder” or “Owner” means any Person who shall be the registered owner of any Outstanding Bond or Bonds.

“Borrower” means RGC2 Northwest 4 Owner LLC, a limited liability company, duly organized and existing under the laws of the State, or any of its permitted successors or assigns, as owner of the Project.

“Business Day” means (1) any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York (or other agent acting as the Credit Facility Provider’s fiscal agent identified to the Trustee) is authorized or obligated by law or executive order to remain closed, (d) a day on which the Principal Office of the Credit Facility Provider is closed, or (2) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee or the Credit Facility Provider is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

“Cash Flow Projection” means cashflow projections prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, establishing, to the satisfaction of the Rating Agency, as applicable, that (a) the amounts on deposit with the Trustee in the applicable account of the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund, (b) projected Investment Income to accrue on amounts on deposit in the applicable Bond Proceeds Fund, the Collateral Fund and the Revenue Fund during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower are sufficient to pay, as applicable, (i) amounts due and payable on the Bonds on each payment date with respect thereto, (ii) the costs of any proposed remarketing of the Series B Bonds, as provided in the Indenture, (iii) in the event that the Trustee intends to sell or otherwise dispose of Qualified Investments prior to maturity at a price below par, as described in the Indenture, (iv) the purchase sale or exchange of Qualified Investments as provided in the Indenture, or (v) the extension of the Conversion Date Deadline as set forth in the Indenture. The cost and expense of obtaining such Cash Flow Projections shall be the sole responsibility of the Borrower.

“Certificate of the Issuer” and “Request of the Issuer” mean, respectively, a written certificate or request signed in the name of the Issuer by an Authorized Officer of the Issuer or such other Person as may be designated and authorized to sign for the Issuer. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Collateral Fund” means the Collateral Fund (and any accounts thereunder) created and so designation in the Indenture.

“Conditions to Conversion” has the meaning given to that term in the Construction Phase Financing Agreement.

“Construction Lender” means Capital One, National Association, a national banking association, its successors and assigns, in such capacity.

“Construction Loan” means the loan made by the Construction Lender to the Borrower in the original principal amount of up to \$28,597,987*.

“Construction Loan Documents” means the documents executed and delivered in connection with the Construction Loan, including, without limitation, the promissory note and mortgage evidencing the Construction Loan.

“Construction Phase” has the meaning given to that term in the Construction Phase Financing Agreement.

“Construction Phase Financing Agreement” means the Construction Phase Financing Agreement, dated as October 1, 2024, by and among Freddie Mac, the Servicer and the Construction Lender and approved and acknowledged by the Borrower, as such agreement may be amended, modified, supplemented or restated from time to time.

“Continuing Disclosure Agreement” means an agreement to be entered into by the Borrower and the Dissemination Agent, as such Continuing Disclosure Agreement may from time to time be amended or supplemented.

“Conversion” means the conversion of the Bond Loan from the Construction Phase to the Permanent Phase following the satisfaction of all Conditions to Conversion.

“Conversion Date” means the date of the Conversion of the Bond Loan specified as such in the Conversion Notice, which date must be a Business Day at least [fifteen (15)] days following the date on which the Conversion Notice is issued by the Servicer or such other date as is approved by Freddie Mac; provided, however, the Conversion Date shall occur under the Indenture no earlier than May 1, 2027.

“Conversion Date Deadline” means the Forward Commitment Maturity Date, as such date may be extended pursuant to the Indenture.

“Conversion Notice” means a written notice by the Servicer to the Issuer, the Trustee, the Borrower, and the Credit Facility Provider given prior to the Forward Commitment Maturity Date and in accordance with the terms of the Forward Commitment (a) stating that each of the Conditions to Conversion has been satisfied prior to the Forward Commitment Maturity Date or, if any Condition to Conversion has not been satisfied prior to the Forward Commitment Maturity Date, has been waived in writing by the Credit Facility Provider, and (b) specifying the Conversion Date.

“Cost,” “Costs” or “Costs of the Project” means costs paid with respect to the Project that (i) are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Issuer to reimburse costs of the Project with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Bonds such costs were (A) costs of issuance of the Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Project that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States

* Preliminary; subject to change.

Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project is being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), “Cost,” “Costs” or “Costs of the Project” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, construction or equipping of the Project or payments received by such Affiliate due to early completion of the Project (or any portion thereof).

“Cost of Issuance Fund” means the Cost of Issuance Fund (and any subaccounts thereunder) established by the Trustee pursuant to the Indenture.

“Costs of Issuance” means (i) the fees (excluding ongoing fees), costs and expenses of (a) the Issuer, the Issuer’s counsel and the Issuer’s financial advisor, (b) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriter’s counsel, (c) Bond Counsel, (d) the Trustee and the Trustee’s counsel, (e) the Servicer and the Servicer’s counsel, (f) the Credit Facility Provider and the Credit Facility Provider’s counsel, (g) Borrower’s counsel attributable to the issuance of the Bonds and the Borrower’s financial advisor, if any, and (h) the Rating Agency, (ii) costs of printing the offering documents relating to the sale of the Bonds and (iii) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Trustee on the Delivery Date, which deposit shall equal \$ _____ and be comprised of sources other than the proceeds of the Bonds.

“Credit Enhancement Agreement” means the Credit Enhancement Agreement dated as of the Conversion Date between Freddie Mac and the Trustee, as such Credit Enhancement Agreement may from time to time be amended or supplemented.

“Credit Facility” means the Credit Enhancement Agreement.

“Credit Facility Account” means the Credit Facility Account of the Revenue Fund established by the Trustee pursuant to the Indenture.

“Credit Facility Interest Reimbursement Account” means the Credit Facility Interest Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to the Indenture.

“Credit Facility Principal Reimbursement Account” means the Credit Facility Principal Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to the Indenture.

“Credit Facility Provider” means Freddie Mac, in its capacity as the provider of the Credit Facility, or its successors or assigns.

“Credit Facility Reimbursement Fund” means the Credit Facility Reimbursement Fund (and any subaccounts thereunder) established by the Trustee, for the benefit of Freddie Mac, pursuant to the Indenture.

“Custodial Escrow Account” means, collectively, the account or accounts established and held by the Servicer, in accordance with the Guide or otherwise, for the purpose of funding (a) escrows for taxes, insurance and related payments and costs, if required by the Credit Facility Provider, (b) a reserve for replacements for the Project, if required by the Credit Facility Provider, and (c) a debt service reserve for the Bond Loan, if required by the Credit Facility Provider.

“Custodial Escrow Agreement” means any agreement (which agreement may be the Guide or the Commitment as applicable) pursuant to which a Custodial Escrow Account is established and maintained.

“Custodian” means The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely in its capacity as collateral agent for the Credit Facility Provider under the Pledge Agreement, and any successor in such capacity.

“Delivery Date” means October __, 2024, the date of initial delivery of the Bonds to the initial purchasers thereof against payment therefor.

“Dissemination Agent” means initially [the Trustee], or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

“Dissemination Agent’s Fee” means the annual or semi-annual fees to the Dissemination Agent as compensation for the Dissemination Agent’s services under the Continuing Disclosure Agreement, which fee(s) shall not exceed \$ ___ during any twelve-month period which fee shall be paid directly by the Borrower and not from any funds held under the Indenture.

“DTC” means The Depository Trust Company, New York, New York, as initial Securities Depository for the Bonds pursuant to the Indenture or its successors.

“Electronic Notice” means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in the Indenture; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by the Indenture.

“Eligible Funds” means, as of any date of determination, any of:

- (a) with respect to the Series A Bonds, following the Conversion Date, proceeds received from draws on the Credit Facility;
- (b) proceeds of the Bonds received contemporaneously with the issuance and sale of the Bonds or any other amount received by the Trustee from the Underwriter or the Remarketing Agent;
- (c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Construction Loan;
- (d) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that

relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 544, 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period;

(f) moneys drawn on a letter of credit; and

(g) Investment Income derived from the investment of moneys described in (a) through (f) above.

“Eligible Funds Provider” means the Construction Lender or such other party delivering Eligible Funds to the Trustee for deposit to the Collateral Fund as set forth in the Indenture.

“Event of Default” or “event of default” means any of those events specified in and defined by the applicable provisions of the Indenture to constitute an event of default.

“Extension Deposit” means the deposit of Eligible Funds (a) with respect to the Series A Bonds, as described in the Indenture and which shall be determined by a Cash Flow Projection, and (b) with respect to the Series B Bonds, the amount due, if any, to provide adequate additional funds for the payment of principal and interest due with respect to the Series B Bonds during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, and which shall be determined by a Cash Flow Projection.

“Extraordinary Issuer Fees and Expenses” means the expenses and disbursements payable to the Issuer under the Indenture or the other Bond Financing Documents for Extraordinary Services, including extraordinary fees, costs and expenses incurred by Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Financing Agreement.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all reasonable expenses (including, but not limited to, attorney’s fees, costs and expenses) properly incurred by the Trustee, including in its capacity as Paying Agent and Bond Registrar, or the Issuer under the Indenture or the other Bond Financing Documents, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Servicing Fees and Expenses” means all fees and expenses of the Servicer under the Guide during any Bond Year in excess of Ordinary Servicing Fees and Expenses.

“Extraordinary Trustee’s Fees and Expenses” means the expenses and disbursements payable to the Trustee under the Indenture or the other Bond Financing Documents for Extraordinary Services, including extraordinary fees, costs and expenses incurred by counsel to the Trustee which are to be paid by the Borrower pursuant to the Financing Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the

acquisition price in a bona fide arm's length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Issuer and related parties do not own more than a ten percent (10%) beneficial interest in the Indenture if the return paid by the fund is without regard to the source of investment.

"Financing Agreement" means the Financing Agreement dated as of October __, 2024, among the Borrower, the Issuer and the Trustee, as such Financing Agreement may from time to time be amended or supplemented.

"Forward Commitment" means the forward commitment letter between the Credit Facility Provider and the Servicer pursuant to which the Credit Facility Provider has agreed to provide credit enhancement of the Bond Loan effective as of the Conversion Date upon satisfaction of the terms and conditions set forth therein as it may be amended, modified or supplemented from time to time.

"Forward Commitment Maturity Date" means November 1, 2027*, subject to extension by the Credit Facility Provider as provided in the Forward Commitment.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

"Freddie Mac Credit Enhancement Fee" shall have the meaning given to that term in the Reimbursement Agreement.

"Freddie Mac Credit Enhancement Payment" shall have the meaning given to that term in the Credit Enhancement Agreement.

"Freddie Mac Reimbursement Amount" shall have the meaning given to that term in the Reimbursement Agreement.

"General Account" means the General Account of the Revenue Fund established by the Trustee pursuant to the Indenture.

"Government Obligations" means investments meeting the requirements of clause (ii)(a) or (b) of the definition of "Qualified Investments" in the Indenture.

"Guaranteed Payment" shall have the meaning given to that term in the Credit Enhancement Agreement.

"Guide" means the Freddie Mac Multifamily Seller/Servicer Guide, as the same may be amended, modified or supplemented from time to time.

* Preliminary; subject to change.

“Indenture” means the Trust Indenture, as the same may have been from time to time amended or modified, together with any other indentures supplemental thereto.

“Information Service” means in accordance with then current guidelines of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor entity or entities designated by the Securities and Exchange Commission.

“Initial Collateral Fund Deposit” means Eligible Funds in the amount of \$[51,000].

“Initial Mandatory Tender Date” means, with respect to the Series B Bonds, November 1, 2027*.

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Series B Bonds on such date, as provided in the Indenture, are satisfied.

“Initial Series B Interest Rate” means, with respect to the Series B Bonds, ____% per annum.

“Intercreditor Agreement” means the Intercreditor Agreement dated as of the Conversion Date, among the Issuer, the Trustee and Freddie Mac, as the same may be amended or supplemented.

“Interest Payment Date” means (i) May 1 and November 1 of each year, beginning on May 1, 2025* (ii) for Bonds subject to redemption but only with respect to such Bonds, the date of redemption (or purchase in lieu of redemption), (iii) for the Series B Bonds subject to mandatory tender on a Mandatory Tender Date but only with respect to such Series B Bonds, the Mandatory Tender Date and (iv) the Maturity Date.

“Investment Income” means the earnings and profits derived from the investment of money pursuant to the Indenture.

“Investor Member” means Hudson RGC2 Northwest 4 LLC, a Delaware limited liability company, its successors and assigns.

“Issuer” means the Fairfax County Redevelopment and Housing Authority, a political subdivision of the State, and any successor to its power and duties under the Act.

“Issuer Fees and Expenses” means, collectively, the Ordinary Issuer Fees and Expenses and the Extraordinary Issuer Fees and Expenses.

“Letter of Representations” means when all the Bonds are Book-Entry Bonds, the Blanket Letter of Representations executed by the Issuer and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Mandatory Tender Date” means with respect to the Series B Bonds, (a) the Initial Mandatory Tender Date and (b) if the Series B Bonds Outstanding on such date or on any subsequent Mandatory Tender Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Market Risk Event” means (a) legislation enacted by the Congress, (b) a final non appealable decision rendered by a court established under Article III of the Constitution of the United States of

* Preliminary; subject to change.

America, or the United States Tax Court, or (c) an order, ruling or regulation issued by the United States Department of the Treasury or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing interest received by any Bondholder (other than a Bondholder who is a “substantial user” of the Project or a “related person” of a substantial user (each within the meaning of Section 147(a) of the Code)) to be included in the gross income of such Bondholder for purposes of federal income taxation.

“Maturity Date” means each applicable maturity date for the Bonds as set forth in the Indenture.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Negative Arbitrage Deposit” means individually or collectively, as applicable, the Series A Negative Arbitrage Deposit and the Series B Negative Arbitrage Deposit.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“Ordinary Issuer Fees and Expenses” means:

(a) the origination fee of the Issuer in the amount of \$[137,400] due and payable on the Delivery Date;

(b) the upfront monitoring fee of the Issuer for the Series B Bonds in the amount of \$65,000 per annum for the period commencing on the Delivery Date until the Initial Mandatory Tender Date (i.e., \$195,000), due and payable on the Delivery Date (and if the Series B Bonds are remarketed to another extended Mandatory Tender Date, the allocable portion of such \$65,000 per annum fee corresponding to such extended period, due and payable on the date of such remarketing and extension); and

(c) the ongoing monitoring fee of the Issuer for the Series A Bonds in the amount of 0.25% per annum of the outstanding principal amount of the Series A Bonds payable on a monthly basis commencing December 1, 2024, and the first day of each month thereafter from amounts transferred or deposited to the Administration Fund.

“Ordinary Services” and “Ordinary Expenses” means those services normally rendered, and those expenses normally incurred, by a trustee or by a state or municipal issuer of tax-exempt debt under instruments similar to the Indenture.

“Ordinary Servicing Fees and Expenses” means the ordinary fees payable to the Servicer in connection with the servicing of the Bond Loan under the Guide, payable monthly in arrears as provided in the Reimbursement Agreement.

“Ordinary Trustee’s Fees and Expenses” means the annual administration fee for the Trustee’s ordinary fees and expenses in rendering its services under the Indenture during each twelve-month period, which fee is equal to (and shall not exceed) \$4,000 for the Series A Bonds and \$4,000 for the Series B Bonds for as long as such Bonds are Outstanding and shall be payable semi-annually in advance on the Delivery Date and each November 1 thereafter, commencing on November 1, 2025.

“Outstanding” when used with respect to the Bonds or “Bonds Outstanding” means, as of any date, all Bonds that have been duly authenticated and delivered by the Trustee under the Indenture, except:

(i) Bonds surrendered and replaced upon exchange or transfer, or cancelled because of payment or redemption, at or prior to such date;

(ii) Bonds for the payment, redemption or purchase for cancellation of which sufficient money has been deposited prior to such date with the Trustee (whether upon or prior to the maturity, amortization or redemption date of any such Bonds), or which are deemed to have been paid and discharged pursuant to the provisions of the Indenture; provided that if such Bonds are to be redeemed prior to the maturity thereof, other than by scheduled amortization, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(iii) Bonds in lieu of which others have been authenticated (or payment, when due, of which is made without replacement) under the Indenture; and also except that

For the purpose of determining whether the holders of the requisite amount of Bonds Outstanding have made or concurred in any notice, request, demand, direction, consent, approval, order, waiver, acceptance, appointment or other instrument or communication under or pursuant to the Indenture, Bonds known to the Trustee to be owned by or for the account of the Borrower or any Person owned, controlled by, under common control with or controlling the Borrower shall be disregarded and deemed to be not Outstanding, unless all Bonds shall be so owned, and provided that the Trustee has knowledge of the foregoing; provided, further, that all Purchased Bonds shall be deemed to be Outstanding, and the Trustee shall follow any direction provided by the Credit Facility Provider with respect to Purchased Bonds for the purposes of the Indenture (Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee’s right to vote such Bonds, and in the event of a dispute as to the existence of such right, any decision by the Trustee taken upon the advice of counsel shall constitute full protection to the Trustee). The term “control” (including the terms “controlling”, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Beneficial ownership of 5% or more of a class of securities having general voting power to elect a majority of the board of directors of a corporation shall be conclusive evidence of control of such corporation.

“Paying Agent” means the Trustee acting as such, or any other paying agent appointed pursuant to the Indenture.

“Permanent Phase” has the meaning given to that term in the Construction Phase Financing Agreement.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated association, a limited liability company or a government or any agency or political subdivision thereof, or any other organization or entity (whether governmental or private).

“Pledge Agreement” means that certain Pledge, Security and Custody Agreement dated the Conversion Date by and among Freddie Mac, the Custodian, and the Borrower, as originally executed or as modified or amended from time to time.

“Principal Office of the Credit Facility Provider” means the office of Freddie Mac located at 8100 Jones Branch Drive, McLean, Virginia 22102, or such other office or offices as Freddie Mac may designate in writing from time to time.

“Principal Office of the Trustee” means the office of the Trustee referenced in the Indenture, or such other office or offices as the Trustee may designate in writing from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

“Project” means, collectively, the land and residential rental apartment units, and related fixtures, equipment, furnishings and site improvements to be known as “Residences at Government Center 2 – NW4” located at 12040 Government Center Parkway, Fairfax, VA 22035.

“Purchase Price” means, with respect to any Bond to be purchased pursuant to the Indenture, the principal amount of such Bond plus any redemption premium due thereon plus interest accrued thereon to the Settlement Date.

“Purchased Bond” means on and after the Conversion Date, any Series A Bond during the period from and including the date of its purchase by the Trustee on behalf of the Borrower pursuant to the Indenture with amounts provided by the Credit Facility Provider under the Credit Facility, to, but excluding, the date on which such Series A Bond is (a) transferred pursuant to and in accordance with the Indenture or (b) redeemed or otherwise cancelled.

“Purchased Bonds Account” means the Purchased Bonds Account of the Bond Fund established by the Trustee pursuant to the Indenture.

“Qualified Investments” means

(i) prior to Conversion, any of the following if and to the extent permitted by law: (a) noncallable, non-redeemable direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof; (c) shares or units in any money market mutual fund rated “Aaa-mf” by the Rating Agency (or the equivalent highest rating (as defined below) given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America; (d) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Trustee or such other institution has been rated at least “VMIG-1”/“A-1+” by the Rating Agency which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; and

(ii) on or following Conversion, any of the following if and to the extent permitted by law: (a) noncallable, non-redeemable direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest

on which are unconditionally guaranteed by the full faith and credit of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof; (c) shares or units in any money market mutual fund rated “Aaa-mf” by the Rating Agency (or the equivalent highest rating (as defined below) given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America; (d) senior debt obligations of Freddie Mac; (e) senior debt obligations of Fannie Mae; (f) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Trustee or such other institution has been rated at least “VMIG-1”/“A-1+” by the Rating Agency which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (g) investment agreements with Freddie Mac or a bank or any insurance company or other financial institution which has a rating assigned by the Rating Agency to its outstanding long-term unsecured debt which is the highest rating (as defined below) for long-term unsecured debt obligations assigned by the Rating Agency, and which are approved by the Credit Facility Provider; (h)(i) tax-exempt obligations rated in the highest short term rating category by the Rating Agency, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AAA” by the Rating Agency (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Trustee or its affiliates receive a fee for investment advisory or other services to the fund; or (i) on and after the Conversion Date, any other investments approved in writing by the Credit Facility Provider. For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG-1”/“A-1+” for obligations with less than one year maturity; at least “Aaa”/“VMIG-1”/“AAA”/“A-1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/“AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index.

“Rating Agency” means Moody’s, or any other nationally recognized securities rating agency rating the Bonds, such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“Rating Category” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Qualified Investment.

“Rebate Analyst” means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Issuer, to make the computations required under the Indenture and the Financing Agreement. Initially, the Rebate Analyst will be Tiber Hudson LLC.

“Rebate Fund” means the Rebate Fund established by the Trustee pursuant to the Indenture.

“Record Date” means the 15th day of the month preceding the month in which any Interest Payment Date falls.

“Redemption Fund” means the Redemption Fund established by the Trustee pursuant to the Indenture.

“Regulatory Agreement” means the Land Use Restriction Agreement, dated as of October 1, 2024, among the Issuer, the Trustee and the Borrower.

“Reimbursement Agreement” means the Reimbursement and Security Agreement dated the Conversion Date between the Borrower and Freddie Mac, as the same may be amended, supplemented or restated from time to time.

“Reimbursement Mortgage” means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date from the Borrower to Freddie Mac, together with all riders and addenda thereto, granting a second priority mortgage and security interest in the Project to Freddie Mac to secure the obligations of the Borrower under the Reimbursement Agreement and all documents related thereto, as the same may be amended, supplemented or restated from time to time.

“Reimbursement Security Documents” has the meaning given to that term in the Reimbursement Agreement.

“Remarketing Agent” means with respect to the Series B Bonds, initially, Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of the Indenture) that may be appointed by the Borrower.

“Remarketing Agent’s Fee” means the fee of the Remarketing Agent for its remarketing services. The Remarketing Agent’s Fee shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Remarketing Agreement” means the Remarketing Agreement, dated as of October 1, 2024, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means with respect to the Series B Bonds, the Initial Remarketing Date and, if the Series B Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses, other than those set forth in the Financing Agreement, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel and the Dissemination Agent in connection with the remarketing of the Series B Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, the cost of any Cash Flow Projections or other verification reports, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Series B Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Member, the Special Member, the Construction Lender and the Servicer.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Series B Bonds are remarketed pursuant to the Indenture or the final Series B Bond Maturity Date of the Series B Bonds, as applicable.

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Series B Bonds Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Series B Bond Maturity Date of the Series B Bonds, as applicable.

“Requisition” means, with respect to the applicable Bond Proceeds Fund, the requisition in the form of an exhibit attached to the Indenture required to be submitted in connection with disbursements from the applicable account of the Bond Proceeds Fund, and with respect to the Cost of Issuance Fund, the requisition in the form of an exhibit attached to the Indenture required to be submitted in connection with disbursements from the Cost of Issuance Fund. Such Requisition for the Bond Proceeds Fund shall be signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Eligible Funds Provider (signifying the consent to the Requisition by the Eligible Funds Provider).

“Responsible Officer” means any officer of the Trustee employed within or otherwise having regular responsibility in connection with the corporate trust department of the Trustee and the trusts created under the Indenture.

“Revenue Fund” means the Revenue Fund (and any accounts thereunder) established by the Trustee pursuant to the Indenture.

“Revenues” means (a) all payments made with respect to the Bond Loan pursuant to the Financing Agreement, the Bond Note or, on and after the Conversion Date, the Bond Mortgage, including all casualty or other insurance benefits and condemnation awards paid in connection therewith (subject in all events to the interests of the Credit Facility Provider therein under the terms of the Credit Facility and the Reimbursement Security Documents), (b) on and after the Conversion Date, payments made by the Credit Facility Provider pursuant to the Credit Facility and (c) all money and securities held by the Trustee in the funds and accounts established pursuant to the Indenture (excluding money or securities designated for deposit into and held in the Cost of Issuance Fund, the Administration Fund, the Credit Facility Reimbursement Fund and the Rebate Fund), together with all investment earnings thereon.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Securities Depository” means (a) The Depository Trust Company; or (b) any replacement registered securities depository which has been designated in a Certificate of the Issuer delivered to the Trustee and the Credit Facility Provider pursuant to the Indenture.

“Series A Bond Maturity Date” means November 1, 2044*.

* Preliminary; subject to change.

“Series A Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024A in the aggregate principal amount of \$13,220,000* authorized under, secured by and issued pursuant to the provisions of the Indenture.

“Series A Negative Arbitrage Deposit” means Eligible Funds in the amount of \$ _____ to be deposited on the Delivery Date into the Series A Negative Arbitrage Account in the Revenue Fund and as otherwise set forth in the Bond Closing Memorandum.

“Series A Project Account” means the Series A Project Account of the Bond Proceeds Fund established by the Trustee pursuant to the Indenture.

“Series B Bond Maturity Date” means November 1, 2028*.

“Series B Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024B in the aggregate principal amount of \$6,130,000* authorized under, secured by and issued pursuant to the provisions of the Indenture.

“Series B Negative Arbitrage Deposit” means Eligible Funds in the amount of \$ _____ to be deposited on the Delivery Date into the Series B Negative Arbitrage Account in the Revenue Fund and as otherwise set forth in the Bond Closing Memorandum.

“Series B Project Account” means the Series B Project Account of the Bond Proceeds Fund established by the Trustee pursuant to the Indenture.

“Servicer” means the eligible servicing institution designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Loan), or its successor, as servicer of the Bond Loan, following Conversion. Initially, the Servicer shall be Capital One, National Association.

“Settlement Date” means any date on which any Bond is purchased or deemed purchased pursuant to the Indenture.

“Special Member” means Hudson SLP LLC, its successor and assigns.

“State” means the Commonwealth of Virginia.

“Tax Certificate” means the Tax Compliance Agreement and No Arbitrage Certificate dated as of the Delivery Date, by and between the Borrower and the Issuer.

“Trust Estate” shall have the meaning given to that term in the granting clauses of the Indenture.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., and its successors in trust under the Indenture.

“Unassigned Rights” means (a) all rights which the Issuer and its officers, officials, directors, agents and employees may have under the Indenture, the Financing Agreement and the Regulatory Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, directors, agents or employees; (b) the right of the Issuer to give and receive notices, reports, certifications, or other information under the Indenture, under the Financing Agreement and under the Regulatory Agreement; (c) the right of the Issuer to receive its fees and expenses; (d) the Issuer’s approval rights; (e) the rights of the Issuer with respect to inspections; (f) the rights of the Issuer with respect to publicity and signage; (g) the notification, indemnification and

enforcement rights of the Issuer in the Financing Agreement; (h) the rights of the Issuer with respect to limited liability; (i) all rights of the Issuer to enforce the covenants and agreements and to take action for the breach of any representation or warranty of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excludable from gross income for federal income tax purposes, as are set forth in any of the Bond Financing Documents, including any certificate or agreement executed by the Borrower; (j) all rights of the Issuer in connection with any amendment to or modification of any of the Indenture and the Financing Agreement, or the Regulatory Agreement insofar as any such amendment or modification would affect the Unassigned Rights of the Issuer; and (k) all enforcement rights with respect to the foregoing. All of the foregoing rights of the Issuer under the Indenture, the Financing Agreement and the Regulatory Agreement are reserved to the Issuer, as none of these rights under the Indenture, the Financing Agreement or the Regulatory Agreement are being assigned by the Issuer to the Trustee.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

“Wrongful Dishonor” means the failure of the Credit Facility Provider to honor a draw made in accordance with the terms of the Credit Facility (which draw strictly complies with, and conforms to, the terms and conditions of the Credit Facility).

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Trustee.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix A to this Official Statement.

The Bonds

The Bonds are authorized to be issued under the Indenture as revenue bonds of the Issuer in accordance with the Bond Resolution. The Bonds shall be issued in two series designated as set forth in the Indenture. The Bonds shall be fully registered as to principal and interest, without coupons, and shall be numbered by series, if any, in the manner and with any additional designation as the Trustee, as Bond Registrar, deems necessary for the purpose of identification. All of the Bonds are equally and ratably secured. Bonds issued on the Delivery Date shall be dated such date; Bonds issued after the Delivery Date shall be dated the date they are authenticated by the Trustee. The Bonds shall be due and payable in full on their Maturity Dates. The Series B Bonds shall be subject to mandatory tender on each Mandatory Tender Date.

The Series A Bonds shall bear interest from the Delivery Date at the fixed interest rate provided in the Indenture, The Series B Bonds shall bear interest from the Delivery Date to but not including the Initial Mandatory Tender Date, at a rate per annum equal to the Initial Series B Interest Rate and during each subsequent Remarketing Period, at a rate per annum equal to the Remarketing Rate; provided, however, that in no event shall interest paid on the Series B Bonds exceed the Maximum Rate. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds shall be payable on each Interest Payment Date, in each case from the Interest Payment Date next preceding the date of authentication thereof to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of the Bond, or unless no interest has been paid or duly provided for on the Bonds, in which case from the Delivery Date, until payment of the principal of the Bond has been made or duly provided for. Notwithstanding the foregoing, if a Bond is authenticated after a Record Date and before the following Interest Payment Date, such Bond shall bear interest from such Interest Payment Date; provided, however, that if there shall be a default in the payment of interest due on such Interest Payment Date, then the Bonds shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on the Bonds, from the Delivery Date.

The Bonds shall be issued in Authorized Denominations and shall bear interest payable on each Interest Payment Date at the rates per annum and shall mature, subject to redemption prior to maturity as provided on the dates set forth in the Indenture.

Limited Obligations

The Bonds, and the premium, if any, and interest thereon, are limited obligations of the Issuer, the principal of, premium, if any, and interest on which are secured by and payable solely from the Trust Estate.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Establishment of Bond Proceeds Fund; Application of Bond Proceeds and Other Money; Assignment of Bond Loan to Trustee

The Trustee shall establish, maintain and hold in trust and there is established with the Trustee a Bond Proceeds Fund and therein a Series A Bond Proceeds Account and a Series B Bond Proceeds Account. No amount shall be charged against the Bond Proceeds Fund except as expressly provided in this section and as described under “Bond Proceeds Fund,” below.

The proceeds of the sale of the Bonds shall be delivered to the Trustee on the Delivery Date. The Trustee shall deposit such proceeds from the Series A Bonds to the credit of the Series A Bond Proceeds Account and from the Series B Bonds to the credit of the Series B Bond Proceeds Account. Amounts in the Bond Proceeds Fund shall be disbursed as provided in the fourth paragraph below, subject to the conditions set forth in the Financing Agreement. Upon the disbursement of all amounts in the Bond Proceeds Fund, the Trustee shall close the Bond Proceeds Fund.

The Borrower shall deliver funds as set forth in the Bond Closing Memorandum, on or prior to the Delivery Date, including the Costs of Issuance Deposit, the Administration Fund Deposit and the Initial Collateral Fund Deposit, and any other amount set forth therein, for deposit with the Trustee and/or the title company.

Upon the deposit of money to the credit of the Bond Proceeds Fund, the Issuer shall originate the Bond Loan pursuant to the Financing Agreement and the Trustee shall make disbursements of amounts in the Bond Proceeds Fund to the Borrower or otherwise as provided under the heading “Bond Proceeds Fund,” below.

Pledge of Revenues and Assets; Establishment of Funds

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses of the Indenture shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any Person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be

subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

In addition to the Bond Proceeds Fund established under “Establishment of Bond Proceeds Fund; Application of Bond Proceeds and Other Money; Assignment of Bond Loan to Trustee,” above, the Trustee shall establish, maintain and hold in trust the following funds and accounts, each of which is established by the Indenture and each of which shall be disbursed and applied only as authorized in the Indenture:

- (a) Revenue Fund, and within the Revenue Fund, (i) a General Account, (ii) a Series A General Account, (iii) a Series B General Account, (iv) a Series A Negative Arbitrage Account, (v) a Series B Negative Arbitrage Account and (vi) a Credit Facility Account;
- (b) Bond Fund, and within the Bond Fund, a Purchased Bonds Account and a Series B Remarketing Proceeds Account;
- (c) Redemption Fund;
- (d) Administration Fund, and within the Administration Fund, a Remarketing Expense Account;
- (e) Cost of Issuance Fund;
- (f) Credit Facility Reimbursement Fund, and within the Credit Facility Reimbursement Fund, a Credit Facility Principal Reimbursement Account and a Credit Facility Interest Reimbursement Account;
- (g) Collateral Fund, and within the Collateral Fund, (i) a Series A Collateral Account and (ii) a Series B Collateral Account; and
- (h) Rebate Fund.

The funds and accounts established pursuant to this section shall be maintained in the corporate trust department of the Trustee as segregated trust accounts, separate and identifiable from all other funds held by the Trustee. The funds and accounts established under the Indenture shall bear a designation clearly indicating that the funds deposited therein are held for the benefit of (i) the Holders of the Bonds, respecting the Bond Proceeds Fund, the Revenue Fund, the Bond Fund, the Redemption Fund and the Collateral Fund, (ii) the Credit Facility Provider, respecting the Credit Facility Reimbursement Fund, (iii) the parties indicated in the Indenture, respecting the Administration Fund and the Cost of Issuance Fund, and (iv) the Issuer, respecting the Rebate Fund. The Trustee shall, at the written direction of an Authorized Officer of the Issuer, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to a deposit or use of money in the funds established under the Indenture, or result in commingling of funds not permitted under the Indenture.

Bond Proceeds Fund

Deposit. The Trustee shall deposit the proceeds of the sale of the Bonds into the Series A Bond Proceeds Account and the Series B Bond Proceeds Account as provided in the Indenture.

Transfers, Disbursements and Requisitions. The Trustee shall make disbursements from the respective accounts of the Bond Proceeds Fund for the purpose of paying Costs of the Project, subject to the limitations in the Tax Certificate and only upon satisfaction of the requirements set forth in the Indenture. The Trustee shall have no right or duty to determine whether any requested disbursement from the Bond Proceeds Fund complies with the terms, conditions and provisions of the Indenture or the Financing Agreement.

With respect to any disbursement from the Bond Proceeds Fund, upon the Trustee's receipt of (i) a completed and fully signed Requisition and (ii) Eligible Funds for deposit into the applicable Account of the Collateral Fund as provided in Indenture, and subject to the provisions of this section, the Trustee shall disburse proceeds of the Series A Bonds or Series B Bonds, as applicable, in an amount equal to such corresponding deposit made into the applicable Account of the Collateral Fund to fund Costs of the Project pursuant to such Requisition. Prior to making any such disbursement from the applicable Account of the Bond Proceeds Fund, the Trustee shall confirm that, with respect to each of the Series A Bonds and the Series B Bonds, as applicable, the aggregate principal amount that will be held in both (a) the applicable Account of the Collateral Fund and (b) the applicable Account of the Bond Proceeds Fund, after the requested disbursement, and, with respect to the Series B Bond Proceeds Account, any transfer described in the Bond Closing Memorandum, will at least equal the Outstanding principal amount of the Series A Bonds and the Series B Bonds, as applicable.

Notwithstanding anything to the contrary, the Trustee shall not disburse Bond proceeds from the Bond Proceeds Fund (other than (i) as permitted pursuant to the Bond Closing Memorandum and (ii) to pay amounts due on the Bonds in connection with a redemption pursuant to the Indenture), unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the applicable Account of the Collateral Fund; provided, however, that the Trustee shall transfer funds from the applicable Account of the Bond Proceeds Fund to the applicable Account of the Collateral Fund upon receipt of an opinion of Bond Counsel to the effect that such transfer shall not cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes. To the extent money on deposit in the applicable Account of the Bond Proceeds Fund is invested in Qualified Investments that have not yet matured, the Trustee is authorized to make the following sale and exchange, which sale and exchange shall occur prior to the disbursement of amounts on deposit in the applicable Account of the Bond Proceeds Fund to pay Costs of the Project without the need to sell or terminate such Qualified Investments prior to their stated maturity date: (i) sell all or a portion of the Qualified Investments in the applicable Account of the Bond Proceeds Fund, in the amount specified in the request for disbursement, to the applicable Account of the Collateral Fund for a price of par and (ii) transfer a like amount of available funds from the applicable Account of the Collateral Fund to the applicable Account of the Bond Proceeds Fund representing proceeds of the Series A Bonds or Series B Bonds, as applicable, as the purchase price thereof.

Upon the satisfaction of the provisions set forth in this section, the Trustee shall be irrevocably and unconditionally obligated to disburse Bond proceeds from the applicable Account of the Bond Proceeds Fund equal to the amount deposited to the applicable Account of the Collateral Fund, as set forth in the corresponding requisition, and to the extent the Trustee is unable to do so, the Trustee shall return the amount deposited into the applicable Account of the Collateral Fund, within one Business Day of receipt of such deposit, to the Eligible Funds Provider that made such deposit in connection with the applicable Requisition.

Upon final disbursement of all amounts on deposit in the Bond Proceeds Fund, including all interest accrued therein, the Trustee shall close the Bond Proceeds Fund.

Amounts on deposit in the Bond Proceeds Fund shall be invested as provided in the Indenture. All Investment Income on amounts on deposit in the [Series A Negative Arbitrage Account, the Series A Collateral Account and the Series A Bond Proceeds Account] shall be transferred to and become a part of the amounts on deposit in the Series A General Account in the Revenue Fund. All Investment Income on amounts on deposit in the Series B Bond Proceeds Account shall be transferred to and become a part of the amounts on deposit in the Series B Negative Arbitrage Account in the Revenue Fund.

Application of Revenue Fund

All Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the General Account, except (i) with respect to amounts required to be deposited in the Series A General Account or the Series B General Account as provided in the Indenture, shall be deposited the Series A General Account or the Series B General Account, as applicable, (ii) amounts paid pursuant to the Credit Facility, which shall be deposited in the Credit Facility Account; (iii) as otherwise specifically provided in the Indenture with respect to certain deposits into the Redemption Fund; (iv) with respect to Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and (v) with respect to amounts required to be transferred between funds and accounts as provided in the Indenture.

On and prior to the Conversion Date, the Trustee shall charge the Series A General Account and the Series B General Account, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date and shall cause the same to be credited to the Bond Fund and applied to the payment of such interest and principal when due on the Bonds as follows:

(i) to the extent funds in the Series A General Account are not sufficient to cover amounts due on the Series A Bonds, the Trustee shall transfer to the Series A General Account, funds from the following accounts and in the following order: the Series B Negative Arbitrage Account, the Series B Collateral Account, and the Series A Bond Proceeds Account. All Investment Income on amounts on deposit in the Series A General Account shall remain therein; and

(ii) to the extent funds in the Series B General Account are not sufficient to cover amounts due on the Series B Bonds, the Trustee shall transfer funds to the Series B General Account, funds from the following accounts and in the following order: the Series B Collateral Account, the Series B Negative Arbitrage Account, and the Series B Bond Proceeds Account. All Investment Income on amounts on deposit in the Series B General Account shall remain therein.

The Trustee shall deposit amounts set forth in the Indenture into the Series A Negative Arbitrage Account. In addition, the Trustee shall deposit any Eligible Funds made available for deposit into the Series A Negative Arbitrage Account from any other source including any Extension Deposit. The Trustee shall transfer funds in the Series A Negative Arbitrage Account to the Series A General Account as permitted in the Indenture. On the Conversion Date, any remaining funds on deposit in the Series A Negative Arbitrage Account shall be disbursed to the Borrower.

The Trustee shall deposit amounts set forth in the Indenture into the Series B Negative Arbitrage Account. In addition, the Trustee shall deposit any Eligible Funds made available for deposit into the Series B Negative Arbitrage Account from any other source including any Extension Deposit. The Trustee shall transfer funds in the Series B Negative Arbitrage Account to the Series B General Account as permitted in

the Indenture. Following the redemption of the Series B Bonds in full, any remaining funds on deposit in the Series B Negative Arbitrage Account shall be disbursed to the Borrower as provided in the Indenture. All Investment Income on amounts on deposit in the Series B Negative Arbitrage Account shall be transferred to and become a part of the amounts on deposit in the Series B General Account.

On and after the Conversion Date, on each Interest Payment Date or any other date on which payment of principal of or interest on the Series A Bonds becomes due and payable, the Trustee, out of money in the Credit Facility Account and the General Account, shall credit the following amounts to the following funds, but in the order and within the limitations thereafter indicated with respect thereto, as follows:

FIRST: to the Bond Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal of and interest due on the Series A Bonds on such date (excluding principal of and interest on any Purchased Bonds and excluding the principal constituting a mandatory sinking fund payment on any Series A Bonds on such date);

SECOND: to the Redemption Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal amount due and payable on the Series A Bonds with respect to mandatory sinking fund redemption (excluding principal of any Purchased Bonds) on such date;

THIRD: to the Redemption Fund from money in the Credit Facility Account of the Revenue Fund (i) amounts paid to the Trustee under the Credit Facility to be applied to the mandatory redemption of all or a portion of the Series A Bonds pursuant to the Indenture (other than a mandatory sinking fund redemption) and (ii) amounts paid to the Trustee under the Credit Facility to be applied to the optional redemption of all or a portion of the Series A Bonds pursuant to the Indenture; and

FOURTH: to the Series A Purchased Bonds Account from money in the Bond Fund, such amount as the Credit Facility Provider shall advise the Trustee is equal to the interest due on the Purchased Bonds on such date.

On and after the Conversion Date, promptly upon receipt, the Trustee shall deposit directly to the Credit Facility Reimbursement Fund (i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Loan, such amount to be applied to reimburse the Credit Facility Provider for a draw under the Credit Facility in such amount to provide for extraordinary mandatory redemption of all or a portion of the Series A Bonds pursuant to the Indenture; (ii) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the optional redemption of all or a portion of the Series A Bonds pursuant to the Indenture; and (iii) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the payment of any redemption premium in connection with an optional redemption of all or a portion of the Series A Bonds pursuant to the Indenture.

On and after the Conversion Date, should the amount in the Revenue Fund be insufficient to pay the amount due on the Series A Bonds on any given Interest Payment Date or other payment date after the transfers from the Credit Facility Account, the Trustee shall credit to the Revenue Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (1) the General Account; and (2) the Redemption Fund, except no such charge to the Redemption Fund shall be made from money to be used to effect a redemption for which notice of redemption has been provided for or from money which is held for payment of Series A Bonds which are no longer Outstanding under the Indenture.

On and after the Conversion Date, at the written direction of the Borrower, and with the written consent of the Credit Facility Provider, together with a certificate setting forth that no default exists under the Bond Loan Documents signed by the Servicer, Investment Income deposited into the General Account shall be paid to the Borrower semi-annually on the first Business Day after each Interest Payment Date, commencing with the first Interest Payment Date after the Conversion Date, so long as (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund or any Custodial Escrow Account, (ii) no default exists under the Bond Loan and (iii) no event of default exists under any of the Bond Loan Documents.

Application of Bond Fund

The Trustee shall charge the Bond Fund, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date, and shall cause the same to be applied to the payment of such interest and principal when due (excluding, after the Conversion Date, principal on any Purchased Bond). After the Conversion Date, any money remaining in the Bond Fund on any Interest Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Redemption Fund to redeem Bonds called for mandatory sinking fund redemption on such Interest Payment Date, be transferred to the Redemption Fund to be applied for such purpose. After the Conversion Date, any balance remaining in the Bond Fund on the Business Day immediately succeeding an Interest Payment Date shall be transferred to the Servicer for payment to the Credit Facility Provider to be applied in accordance with the Reimbursement Agreement.

Any Investment Income on amounts on deposit in the Bond Fund shall be deposited by the Trustee upon receipt thereof prior to the Conversion Date, in the Series A General Account in the Revenue Fund and, following the Conversion Date, in the General Account of the Revenue Fund.

The Trustee shall deposit and disburse amounts in the Series B Remarketing Proceeds Account as set forth in the Indenture.

No amount shall be charged against the Bond Fund except as expressly provided under "Application of Money After Default," below.

Application of Redemption Fund

On and after the Conversion Date, any money credited to the Redemption Fund shall be applied as set forth under "Application of Revenues," above; provided, however, that to the extent any money credited to the Redemption Fund from Eligible Funds (other than draws under the Credit Facility) is in excess of the amount necessary to effect the redemptions referred to in "Application of Revenues," above it shall be applied to make up any deficiency in the Revenue Fund on any Interest Payment Date, to the extent money then available in accordance with "Application of Revenues," above in the Series A General Account is insufficient to make up such deficiency, provided that no money to be used to effect a redemption for which a conditional notice of redemption, the conditions of which have been satisfied, or an unconditional notice of redemption has been provided or money which is held for payment of Series A Bonds which are no longer Outstanding under the Indenture shall be so transferred to the Bond Fund.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Redemption Fund shall be credited by the Trustee to the General Account in the Revenue Fund.

No amount shall be charged against the Redemption Fund except as expressly provided in the Indenture.

Administration Fund

The Trustee shall deposit into the Administration Fund, promptly upon receipt thereof, the Administration Fund Deposit, and all other amounts received from the Servicer or the Borrower designated for deposit into such fund. The Trustee shall also deposit into the Remarketing Expense Account of the Administration Fund promptly upon receipt the amount of the Remarketing Expenses associated with any remarketing of the Series B Bonds. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Trustee and used **FIRST**, to pay to the Trustee when due the Ordinary Trustee's Fees and Expenses; **SECOND**, to pay to the Issuer when due the Ordinary Issuer Fees and Expenses; **THIRD**, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Indenture and the Financing Agreement, upon receipt of an invoice from the Rebate Analyst; **FOURTH**, to deposit to any Custodial Escrow Account any deficiency in the amount held therein as certified in writing by the Servicer (or subsequent holder of such an account) to the Trustee; **FIFTH**, to pay to the Trustee any Extraordinary Trustee's Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and Freddie Mac; **SIXTH**, to pay to the Issuer when due any Extraordinary Issuer Fees and Expenses; **SEVENTH**, to pay to the Credit Facility Provider any unpaid portion of the amounts due under the Reimbursement Agreement, as certified in writing by the Credit Facility Provider to the Trustee; **EIGHTH**, to pay to the Servicer any unpaid portion of the Ordinary Servicing Fees and Expenses and any Extraordinary Servicing Fees and Expenses due and owing from time to time, as set forth in an invoice submitted to the Trustee and Freddie Mac; **NINTH**, to make up any deficiency in the Redemption Fund on any redemption date of Series A Bonds, to the extent money then available in accordance with "Application of Revenues," above in the Redemption Fund is insufficient to redeem Series A Bonds called for redemption on such redemption date; **TENTH**, to pay to the Dissemination Agent when due the Dissemination Agent's Fee; **ELEVENTH**, to pay to the Rating Agency when due the annual rating maintenance fee, if any, as set forth in an invoice submitted to the Trustee; and **TWELFTH**, to transfer any remaining balance after application as aforesaid, prior to the Conversion Date, to the Series A General Account in the Revenue Fund and, following the Conversion Date, to the General Account of the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Trustee of the amount of such deficiency. Upon payment by the Borrower of such deficiency, the amounts for which such deficiency was requested shall be paid by the Trustee.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Trustee, prior to the Conversion Date, to the Series A General Account in the Revenue Fund and, following the Conversion Date, to the General Account of the Revenue Fund.

Amounts in the Remarketing Expense Account of the Administration Fund shall be applied by the Trustee in accordance with the Indenture.

No amount shall be charged against the Administration Fund except as expressly provided in the Indenture.

Credit Facility Reimbursement Fund

On the Conversion Date, unless the Conversion Date occurs on an Interest Payment Date, the Trustee shall transfer from the Series A Collateral Account and deposit into the Credit Facility Interest

Reimbursement Account, the interest accrued on the Series A Bonds from the Interest Payment Date immediately preceding the Conversion Date through, but not including, the Conversion Date, and after the Conversion Date, the Trustee shall deposit into the Credit Facility Interest Reimbursement Account, promptly upon receipt thereof, all amounts received from the Servicer, including, but not limited to, scheduled monthly interest collections pursuant to the Reimbursement Agreement, designated for deposit into such account. Amounts on deposit in the Credit Facility Interest Reimbursement Account shall be applied by the Trustee to reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay interest on the Series A Bonds. On each Interest Payment Date following the Conversion Date, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington, D.C. time, from and to the extent of amounts on deposit in the Credit Facility Interest Reimbursement Account, an amount equal to the amount drawn by the Trustee under the Credit Facility to pay interest on the Series A Bonds on such date.

Following the Conversion Date, the Trustee shall deposit into the Credit Facility Principal Reimbursement Account, promptly upon receipt thereof, all amounts received from the Servicer designated for deposit into such account, including, but not limited to, scheduled monthly principal deposits pursuant to the Reimbursement Agreement. Amounts on deposit in the Credit Facility Principal Reimbursement Account shall be applied by the Trustee to reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay principal on the Series A Bonds. On each maturity date for the Series A Bonds and each date the Series A Bonds are subject to optional or mandatory redemption, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington, D.C. time, from and to the extent of amounts on deposit in the Credit Facility Principal Reimbursement Account, an amount equal to the principal amount drawn by the Trustee under the Credit Facility to pay or redeem Series A Bonds in Authorized Denominations on such date.

On and after the Conversion Date, in the event that the amounts on deposit in the respective accounts in the Credit Facility Reimbursement Fund are insufficient to reimburse the Credit Facility Provider (as provided in the Indenture) the full amount to be drawn under the Credit Facility to pay interest or principal on the Series A Bonds, as applicable, the Trustee shall promptly give notice to the Credit Facility Provider, the Servicer and the Borrower of such deficiency and of the amount of such deficiency.

All Investment Income on amounts on deposit in the Credit Facility Reimbursement Fund shall be retained in and credited to and become a part of the amounts on deposit in the respective accounts in such fund. Provided that (as confirmed by the Trustee with the Servicer or the Credit Facility Provider) (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund, or any Custodial Escrow Account, (ii) no event of default exists under the Bond Loan, (iii) no Event of Default exists under the Indenture or under any of the other Borrower Documents (as defined in the Reimbursement Agreement), and (iv) the Credit Facility Provider has been fully reimbursed for amounts drawn on the Credit Facility, the Trustee, without the need for any further direction, shall pay such Investment Income to the Borrower on the Interest Payment Date next succeeding receipt thereof (after making all payments specified in the Indenture).

At the written direction of the Credit Facility Provider, the amounts on deposit in the Credit Facility Reimbursement Fund shall be used by the Trustee to pay any amounts required to be paid by the Borrower under any Bond Loan Document, to pay any amounts owed to the Credit Facility Provider in connection with any loan purchased by the Credit Facility Provider and secured by the Project, or to pay any other amount agreed to in writing by the Borrower and the Credit Facility Provider; provided that the amounts on deposit in the Credit Facility Reimbursement Fund shall, upon the occurrence of an event of default under any Bond Loan Document, be used in any manner and for any purpose specified by the Credit Facility Provider.

At the written request of the Borrower, the Credit Facility Provider, in its sole and absolute discretion, may (i) consent to the release of all or a portion of the amounts on deposit in the Credit Facility Reimbursement Fund to the Borrower (in which case the Trustee shall release such amounts to the Borrower, provided that if, in the judgment of the Rebate Analyst, the amount on deposit in the Rebate Fund at such time is less than the amount required under the Indenture to be rebated to the United States Department of the Treasury, then prior to any such release to the Borrower, any amounts on deposit in the Credit Facility Reimbursement Fund (up to the amount of such deficiency) shall be transferred to the Rebate Fund) and/or (ii) reduce or no longer require deposits to the Credit Facility Reimbursement Fund.

Any amounts remaining in the Credit Facility Reimbursement Fund after payment in full of the principal of and interest on the Series A Bonds and reimbursement of the Credit Facility Provider for all amounts drawn under the Credit Facility shall be applied as provided in the Indenture.

Investment of Funds

The money held by the Trustee shall constitute trust funds for the purposes of the Indenture. Any money attributable to each of the funds and accounts under the Indenture shall be, except as otherwise expressly provided in the Indenture, invested by the Trustee, at the written direction of the Borrower (or, in the case of the Rebate Fund, subject to the Indenture), in Qualified Investments that (subject to the provisions described in this section) mature or shall be subject to redemption or withdrawal at par without penalty on or prior to the date such money is needed; provided, that all amounts on deposit in the Credit Facility Reimbursement Fund and the Credit Facility Account in the Revenue Fund shall be held uninvested or shall be invested only in Government Obligations or in Qualified Investments of the type described in the Indenture which, in any case, shall mature or be subject to redemption or withdrawal at par without penalty on or prior to the earlier of: (i) 30 days from the date of investment and (ii) the date such money is required to be applied pursuant to the provisions of the Indenture. In the absence of written direction from the Borrower, the Trustee shall invest amounts on deposit in the funds and accounts established under the Indenture in Government Obligations or in investments of the type described in subparagraph (g) of the definition of Qualified Investments which shall have the same maturity and other restrictions as set forth above. Such investments may be made through the investment or securities department of the Trustee. The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, securities authorized in the Indenture. The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in the Indenture, the interest thereon and any profit arising on the sale thereof shall be credited to the Series A General Account, prior to the Conversion Date, and to the General Account, following the Conversion Date, and any loss resulting on the sale thereof shall be charged against the applicable account. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted as an investment of money in that fund or account. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the Indenture.

Notwithstanding anything else contained in this section, with respect to the Series A Bonds, prior to the Conversion Date, at the direction of the Borrower, the Trustee is permitted to invest in Qualified Investments that mature on or before the Conversion Date Deadline but is not permitted to sell or otherwise dispose of such Qualified Investment prior to maturity at a price below par without first receiving (i) a Cash

Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection. Notwithstanding anything else contained in this section, with respect to the Series B Bonds, prior to the Initial Mandatory Tender Date, at the direction of the Borrower, the Trustee is permitted to invest in Qualified Investments that mature on or before the Initial Mandatory Tender Date but is not permitted to sell or otherwise dispose of such Qualified Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection.

Following the Delivery Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Qualified Investments with a Cash Flow Projection. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Qualified Investments purchased for the purpose of paying debt service on the Bonds shall be held uninvested and (ii) Bond proceeds and the Negative Arbitrage Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Qualified Investments. Following the Conversion Date, the delivery of a Cash Flow Projection shall not be a requirement to the purchase, sale or exchange of a Qualified Investment.

The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Issuer specifically waives compliance with 12 C.F.R. 12 and notifies the Trustee under the Indenture, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose under the Indenture the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Money Held for Particular Bonds; Funds Held in Trust

The amounts held by the Trustee for the payment of the interest, principal or redemption price due on any date with respect to particular Bonds pending such payment, shall be set aside and held in trust by it for the Holders of the Bonds entitled thereto, and for the purposes of the Indenture such interest, principal or redemption price, after the due date thereof, shall no longer be considered to be unpaid.

All money held by the Trustee for such purpose at any time pursuant to the terms of the Indenture shall be and thereby is assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of the Indenture.

Cost of Issuance Fund

The Trustee shall use money on deposit to the credit of the Cost of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter in accordance with Requisitions in the form attached to the Indenture as an exhibit signed by the Borrower [or written instructions to be given to the Trustee by the Borrower, as set forth in the Bond Closing Memorandum (and accepted and agreed to by the Borrower) on the Delivery Date], upon delivery to the Trustee of appropriate invoices for such expenses; provided that Costs of Issuance may also be disbursed by the title company in accordance with the Bond Closing Memorandum on the Delivery Date from deposits made with the title company by the Borrower. Amounts in the Cost of Issuance Fund funded with proceeds of the Bonds, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Cost of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Cost of Issuance Fund (excluding Bond proceeds) six (6) months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Trustee shall close the Cost of Issuance Fund.

Payments Under Bond Loan Following Conversion Date

The Trustee and the Issuer expressly acknowledge that, following the Conversion Date, references in the Indenture to payments or prepayments of the Bond Loan shall, for all purposes of the Indenture, refer solely to such portion of such payments or prepayments actually paid by the Credit Facility Provider to the Trustee as Guaranteed Payments pursuant to the Credit Facility for which the Borrower has correspondingly reimbursed the Credit Facility Provider in an amount equal to the Guaranteed Payments. Without in any way limiting the foregoing, the Trustee and the Issuer acknowledge under the Indenture that, pursuant to the Guide, following the Conversion Date, the Servicer will pay the Freddie Mac Credit Enhancement Fee and the Ordinary Servicing Fees and Expenses from payments under the Bond Loan made by the Borrower prior to remitting the balance of such payments or prepayments to the Trustee for application as provided in the Indenture.

Collateral Fund

Prior to the release of any amounts in the Bond Proceeds Fund, the Trustee shall deposit into the applicable Account of the Collateral Fund, all Eligible Funds received pursuant to the Indenture designated for deposit into the applicable Account of the Collateral Fund and any other Eligible Funds received by the Trustee for deposit into the applicable Account of the Collateral Fund. Except (i) as described in the Bond Closing Memorandum and permitted under the Indenture, the Borrower is required to cause Eligible Funds to be paid to the Trustee for deposit into the applicable Account of the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the corresponding amount from the applicable Bond Proceeds Fund to be disbursed by the Trustee to pay Costs of the Project.

Subject to the provisions of the Indenture, (i) each deposit into the Series A Collateral Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series A Bonds, and (ii) each deposit into the Series B Collateral Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series B Bonds.

With respect to the Series A Bonds, prior to the Conversion Date, money in the Series A Collateral Account shall be transferred by the Trustee (to the extent money is not otherwise available) to the Series A General Account in the Revenue Fund as provided in the Indenture, in an amount, together with other available funds, necessary to pay amounts due on the Series A Bonds, including any applicable redemption pursuant to the Indenture. On the Conversion Date, unless the Conversion Date occurs on an Interest Payment Date, the Trustee shall transfer from the Series A Collateral Account and deposit into the Credit Facility Interest Reimbursement Account, the interest accrued on the Series A Bonds from the Interest Payment Date immediately preceding the Conversion Date through, but not including, the Conversion Date. With respect to the Series A Bonds, on the Conversion Date, upon delivery of the Credit Facility and after making the transfer required to the Credit Facility Interest Reimbursement Account, the Trustee is authorized to release an amount from the Series A Collateral Account as set forth in the Indenture.

With respect to the Series B Bonds, money in the Series B Collateral Account shall be transferred by the Trustee (to the extent money is not otherwise available) to the Series B General Account in the Revenue Fund as provided in the Indenture, in an amount, together with other available funds, necessary to pay amounts due on the Series B Bonds including any applicable redemption pursuant to the Indenture.

Prior to the Conversion Date, the Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the applicable account of the Collateral Fund is transferred to the applicable account of the Revenue Fund and applied to the payment of the principal of any of the Bonds, or the principal component of the redemption price of any of the Bonds, all as provided in the Indenture.

Notwithstanding anything in the Indenture to the contrary, on the Delivery Date, the Trustee is authorized to transfer amounts described in the Bond Closing Memorandum, if any, without a corresponding deposit of Eligible Funds into the Collateral Fund.

Draws Under Credit Facility

Following the Conversion Date, the Credit Facility shall be held by the Trustee and drawn upon in accordance with its terms and the provisions of the Indenture. Money derived from draws upon the Credit Facility shall be deposited in the Credit Facility Account and applied by the Trustee to pay the principal of and interest on the Series A Bonds, and, in the event of a purchase of the Series A Bonds in lieu of redemption pursuant to the Indenture, to pay, to the extent provided in the Credit Facility, the Purchase Price of the Series A Bonds in accordance with the Indenture.

Following the Conversion Date, the Trustee shall draw money under the Credit Facility in accordance with the terms thereof when needed and in amounts sufficient to make timely payments of the principal of and interest, but not premium, on the Series A Bonds when due and payable (i.e., on any Interest Payment Date or any Settlement Date).

Should the Credit Facility Provider become the owner of the Project by foreclosure or otherwise, the Trustee shall nevertheless continue to make payments on the Series A Bonds only from draws on the Credit Facility or from other Eligible Funds.

The Trustee shall send to the Borrower via Electronic Notice a copy of any documents which are presented to the Credit Facility Provider in connection with a drawing on the Credit Facility concurrently with its submission of those documents to the Credit Facility Provider, if requested to do so by the Borrower.

Payment of Principal and Interest

Each and every covenant made in the Indenture is predicated upon the condition that the Bonds are special limited obligations of the Issuer payable solely from and secured by the Trust Estate pledged therefor. Nothing in the Bonds or in the Indenture shall be construed as pledging any other funds or assets of the Issuer.

The Issuer covenants that it will promptly cause the Trustee to pay, as provided in the Indenture, the principal of and interest on the Bonds when due solely from the Trust Estate at the place, on the date and in the manner provided in the Indenture and in the Bonds.

Performance of Covenants

The Issuer covenants that it will faithfully perform at all times any and all of its covenants and undertakings contained in the Indenture, and in any and every Bond executed, authenticated and delivered thereunder; subject, however to the limitations set forth therein. The Issuer represents that it is duly authorized under the laws of the State to issue the Bonds, to enter into the Indenture and the Financing Agreement and to assign the Revenues, and that upon issuance, authentication, and delivery, the Bonds are and will be valid and enforceable special limited obligations of the Issuer according to the import thereof.

No Modification of Security; Additional Indebtedness

The Issuer covenants that it will not, without the written consent of the Trustee and the Credit Facility Provider, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which the Issuer is a party, or which has been assigned to the Issuer, and which relates to or affects the

security for the Bonds or, following the Conversion Date, the payment of any amount owed to the Credit Facility Provider. The Issuer further covenants not to create any lien upon the Trust Estate or any part thereof other than the lien created by the Indenture and, following the Conversion Date, by the Bond Mortgage and the Reimbursement Mortgage without the prior written consent of the Credit Facility Provider.

Events of Default

Each of the following shall be an event of default with respect to the Bonds (an “Event of Default”) under the Indenture:

(a) failure to pay the principal of, premium, if any, or interest on any Bond (other than Purchased Bonds) when due, whether on an Interest Payment Date, at the stated maturity thereof, by proceedings for redemption thereof, by acceleration or otherwise; or

(b) following the Conversion Date, failure by the Credit Facility Provider to make when due a required payment under the Credit Facility; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Issuer (other than those set forth in the Indenture) set forth in the Indenture or in the Bonds and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified in the Indenture for particular defaults) after written notice thereof (which notice shall be effective only with the written consent of the Credit Facility Provider (following the Conversion Date) if no Event of Default has occurred and is then continuing under subsection (b) above) to the Issuer from the Trustee or the Holders of more than 51% of the aggregate principal amount of the applicable Bonds then Outstanding at such time specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Issuer commences the required cure within such thirty (30) day period and continues the cure with diligence and the Issuer reasonably anticipates that the default could be cured within ninety (90) days, the Issuer shall have ninety (90) days following receipt of such notice to effect the cure.

The Trustee and the Issuer agree that, notwithstanding the provisions of the Indenture, no default under the terms of the Indenture shall be construed as resulting in a default under the Bond Note, the Bond Mortgage or any other Bond Loan Document, unless such event also constitutes an event of default thereunder.

The Trustee will immediately notify the Issuer, the Borrower, the Investor Member, the Servicer and the Credit Facility Provider after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

Acceleration; Other Remedies Upon Event of Default

Upon the occurrence of an Event of Default as described in subsection (b) under the heading “Events of Default” above, the Trustee shall, upon the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding and receipt of indemnity satisfactory to it, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

Upon the occurrence of an Event of Default (other than an Event of Default under subsection (b) under the heading “Events of Default” above), the Trustee may, or prior to Conversion shall at the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding, or following the Conversion Date shall but only upon receipt from the Credit Facility Provider of a notice directing such acceleration (which notice may be given in the sole discretion of the Credit Facility Provider), by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable and, following the Conversion Date, upon the Credit Facility Provider’s having honored a properly presented and conforming draw under the Credit Facility to pay such amounts, interest on the Series A Bonds shall cease to accrue, anything contained in the Indenture or in the Series A Bonds to the contrary notwithstanding.

Prior to the Conversion Date, the payment on the Bonds resulting from a declaration of acceleration on the Bonds as the result of the occurrence of an Event of Default under subsections (a) or (c) under the heading “Events of Default” above shall be made from the applicable accounts of the Revenue Fund, the Bond Proceeds Fund and the Collateral Fund.

Following the Conversion Date, the payment on the Series A Bonds resulting from a declaration of acceleration on the Series A Bonds as the result of the occurrence of an Event of Default under subsections (a) or (c) under the heading “Events of Default” above shall be made from the Credit Facility.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower or the Credit Facility Provider, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) upon all the Bonds then due, with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Trustee (including its counsel) shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Reimbursement Agreement (including, without limitation, with respect to the Credit Facility Provider all outstanding amounts owed to the Credit Facility Provider and all fees owed to the Credit Facility Provider) (collectively, the “Cure Amount”) shall have been paid in full, and all other defaults under the Indenture shall have been made good or cured or waived in writing by the Credit Facility Provider (or, if an Event of Default under subsection (b) under the heading “Events of Default” above has occurred and is then continuing, by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding), then and in every case, the Trustee on behalf of the Holders of all the Outstanding Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon. Notwithstanding the provisions described above in this paragraph, in the event the Cure Amount is derived in whole or in part from a draw on the Credit Facility, any such rescission or annulment of such declaration of acceleration shall not occur without the written consent of the Credit Facility Provider.

Upon the occurrence and during the continuance of an Event of Default, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Bonds with respect to which such an Event of Default has occurred and of the Credit Facility Provider (if no Event of Default has occurred and is continuing under subsection (b) under the heading “Events of Default” above), may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the Holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights; provided that following the Conversion Date, so long as no Event of Default has occurred and is then continuing under subsection (b) under the heading “Events of Default” above, the

Trustee may undertake any such remedy only upon the receipt of the prior written consent of the Credit Facility Provider (which consent may be given in the sole discretion of the Credit Facility Provider):

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, premium, if any, or interest on the Bonds then Outstanding and to require the Issuer or the Credit Facility Provider to carry out any covenants or agreements with or for the benefit of the Bondholders and to perform its duties under the Act, the Indenture, the Financing Agreement, the Regulatory Agreement or the Credit Facility (as applicable) to the extent permitted under the applicable provisions thereof;

(ii) by pursuing any available remedies under the Financing Agreement, the Regulatory Agreement, the Credit Facility or any other Bond Financing Document;

(iii) by realizing or causing to be realized through sale or otherwise upon the security pledged under the Indenture; and

(iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Holders of the Bonds and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Credit Facility Provider or the Bondholders under the Indenture or under the Financing Agreement, the Regulatory Agreement, the Credit Facility, the Reimbursement Agreement or any other Bond Financing Document, as applicable, or now or thereafter existing at or after the time of execution of the Indenture at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default under the Indenture, whether by the Trustee, the Credit Facility Provider or the Bondholders, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

In all events the rights of the Trustee to exercise remedies under the Indenture upon the occurrence of an Event of Default shall be subject to the provisions of the Intercreditor Agreement.

Rights of Bondholders

Prior to the Conversion Date, if an Event of Default under either subsections (a) or (c) under the heading "Events of Default" above shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interest of the affected Bondholders. Prior to the Conversion Date, if an Event of Default under either subsections (a) or (c) under the heading "Events of Default" above shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of the Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of

conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings thereunder, in accordance with the provisions of law and of the Indenture.

Following the Conversion Date, if an Event of Default under subsection (b) under the heading “Events of Default” above shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interest of the affected Bondholders. If an Event of Default under subsection (b) under the heading “Events of Default” above shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of the Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture, in accordance with the provisions of law and of the Indenture.

Application of Money After Default

All money (other than amounts drawn from the Credit Facility as described in the Indenture) collected by the Trustee at any time pursuant to the Indenture shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee, prior to the Conversion Date, to the Series A General Account and Series B General Account and, following the Conversion Date, to the General Account, each in the Revenue Fund. Such money so credited to such accounts and all other money from time to time credited to such accounts in the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of the Indenture.

In the event that at any time the money credited to the Revenue Fund and the Redemption Fund available for the payment of interest or principal then due with respect to the Bonds shall be insufficient for such payment, such money (other than money held for the payment or redemption of particular Bonds as provided in the Indenture and amounts drawn from the Credit Facility as provided in the Indenture) shall be applied as provided in the Indenture.

Rights of the Credit Facility Provider

Following the Conversion Date, if an Event of Default under subsections (a) or (c) under the heading “Events of Default” above shall have occurred and so long as no Event of Default has occurred and is then continuing under subsection (b) under the heading “Events of Default” above, upon receipt of the written direction of the Credit Facility Provider (which direction may be given in the sole discretion of the Credit Facility Provider), the Trustee shall be obligated to exercise any right or power conferred by the Indenture in the manner set forth in such written direction of the Credit Facility Provider. If such written direction expressly states that the Trustee may exercise one or more of the rights and powers conferred in the Indenture as the Trustee shall deem to be in the interest of the Holders of the Series A Bonds and the Credit Facility Provider, the Trustee, being advised by counsel or a committee of Responsible Officers, shall exercise one or more of such rights and powers as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interests of the Holders of the Series A Bonds and the Credit Facility Provider; provided, however, that in any event, so long as no Event of Default has occurred and is then continuing under subsection (b) under the heading “Events of Default” above, the Trustee may not undertake any action to realize, through sale or otherwise, upon the Bond Loan without the express written direction of the Credit Facility Provider. So long as no Event of Default has occurred and is then

continuing under subsection (b) under the heading “Events of Default” above, in the case of an Event of Default under subsections (a) or (c) under the heading “Events of Default” above, the Credit Facility Provider shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture, in accordance with the provisions of law and of the Indenture.

Remedies of Bondholders

No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless (a) a default shall have occurred of which the Trustee shall have been notified as provided in the Indenture; (b) if following the Conversion Date, such default shall have become an Event of Default under subsection (b) under the heading “Events of Default” above; (c) the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which there is such an Event of Default shall have made written request to the Trustee and shall have offered reasonable opportunity to the Trustee either to proceed to exercise the powers granted pursuant to the Indenture or to institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee indemnity as provided in the Indenture; and (e) the Trustee shall within sixty (60) days thereafter fail or refuse to exercise the powers granted pursuant to the Indenture, or to institute such action, suit or proceeding; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture or the rights of any other Holders of Bonds or to obtain priority or preference over any other Holders or to enforce any right under the Indenture, except in the manner provided in the Indenture with respect to the equal and ratable benefit of all Holders of Bonds with respect to which there is a default. Nothing contained in the Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued under the Indenture to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed in the Indenture and in said Bonds.

Waivers of Events of Default

Prior to the Conversion Date, the Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds only at the written request of 51% of the Holders of the then Outstanding principal amount of Bonds. Following the Conversion Date, so long as no Event of Default has occurred and is then continuing under subsection (b) under the heading “Events of Default” above, the Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds only upon the written direction of the Credit Facility Provider. If there shall have occurred and is then continuing an Event of Default under subsection (b) under the heading “Events of Default” above, the Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the Holders of 100% of the Bonds then Outstanding with respect to which there is a default; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of any Bonds (other than Purchased Bonds) at the date of maturity specified therein, or upon proceedings for mandatory redemption of any Bonds (other than Purchased Bonds), (b) any default in the payment when due of the interest or premium on any such Bonds (other than Purchased Bonds), unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the

stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Credit Facility Provider and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Supplemental Indentures Not Requiring Consent of Bondholders

The Issuer and the Trustee may from time to time and at any time, without the consent of, or notice to, any of the Bondholders, but with the prior written consent of the Credit Facility Provider if after the Conversion Date, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes: (a) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture in a manner not materially adverse to the Holder of any Bond to be Outstanding after the effective date of the change; (b) to grant to or confer upon the Trustee for the benefit of the Holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted or conferred and that are not contrary to or inconsistent with the Indenture or the rights of the Trustee under the Indenture as theretofore in effect; (c) to subject to the lien and pledge of the Indenture additional revenues, properties or collateral; (d) to modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute in effect after the Indenture or to permit the qualification of the Bonds for sale under any state blue sky laws; (e) to make such additions, deletions or modifications as may be, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Facility Provider, necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds; (f) to modify, amend or supplement the Indenture as required by the Rating Agency to obtain or maintain a rating or ratings for the Bonds, except no change may be made that will materially adversely affect the interests of the Holders of the Bonds to be Outstanding after the effective date of the change; (g) to implement or modify any secondary market disclosure requirements; and (h) to modify, amend or supplement the Indenture in any other respect which is not materially adverse to the Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in the Indenture.

Supplemental Indentures Requiring Consent of Bondholders

With the prior written consent of the Credit Facility Provider, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding shall have the right (provided that, following the Conversion Date, the exercise of such right shall require the prior written consent of the Credit Facility Provider), from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture not described under the heading "Supplemental Indentures Not Requiring Consent of Bondholders" above; provided, however, that nothing as described in the Indenture shall permit, or be construed as permitting, (a) an extension of the time for payment of, or an extension of the stated maturity or reduction in the principal amount or reduction in the rate of interest on or extension of the time of payment, of interest on, or reduction of any premium payable on the redemption of, any Bonds, or a reduction in the Borrower's obligation on the Bond Note, without the consent of the Holders of all of the Bonds then Outstanding, (b) the creation of any lien prior to or on a parity with the lien of the Indenture, (c) a reduction in the aforesaid percentage of the principal amount of Bonds which is required in connection with the giving of consent to any such supplemental indenture, without the consent of the Holders of all of the Bonds then Outstanding, (d) the modification of the rights, duties or immunities

of the Trustee, without the written consent of the Trustee, (e) a privilege or priority of any Bond over any other Bonds, or (f) any action that results in the interest on the Bonds becoming included in gross income for federal income tax purposes.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all registered Bondholders and to the Credit Facility Provider. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders.

Thirty (30) days after the date of the mailing of such notice, the Issuer and the Trustee may enter into such supplemental indenture substantially in the form described in such notice, but only if there shall have first been or is simultaneously delivered to the Trustee the required consents, in writing, of the Credit Facility Provider and the Holders of not less than the percentage of Bonds required by this section. If the Holders of not less than the percentage of Bonds required by this section shall have consented to and approved the execution and delivery of a supplemental indenture as provided therein, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this section permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of the Indenture.

Anything in the Indenture to the contrary notwithstanding, unless the Borrower shall then be in default of any of its obligations under the Financing Agreement, the Reimbursement Agreement, the Regulatory Agreement, the Bond Note, the Bond Mortgage or the Reimbursement Mortgage, a supplemental indenture under the Indenture which affects any rights of the Borrower shall not become effective unless and until the Borrower shall have expressly consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Borrower or the Borrower's attorney at least fifteen (15) days prior to the proposed date of execution and delivery of any supplemental indenture.

Notwithstanding any other provision of the Indenture, the Issuer and the Trustee may consent to any supplemental indenture upon receipt of the consent of the Credit Facility Provider, the Holders of all Bonds then Outstanding and, as applicable, the Borrower.

Amendments to Financing Agreement Not Requiring Consent of Bondholders

The Trustee shall, without the consent of, or notice to, the Bondholders, but with the consent of the Borrower and the Credit Facility Provider (if following the Conversion Date), consent to any amendment, change or modification of the Financing Agreement as follows: (a) as may be required by the provisions of the Credit Facility, the Financing Agreement or the Indenture; (b) to cure any formal defect, omission, inconsistency or ambiguity in the Financing Agreement in a manner not materially adverse to the Holder of any Bond to be Outstanding after the effective date of the change; (c) to make such additions, deletions or modifications as may be necessary, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Facility Provider, to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds; (d) to modify, amend or supplement the Financing Agreement as required by the Rating Agency to obtain or maintain a rating or ratings for the Bonds, except no change may be

made that will materially adversely affect the interests of the Holders of the Bonds to be Outstanding after the effective date of the change; or (e) to modify, amend or supplement the Financing Agreement in any other respect which is not materially adverse to the Trustee or Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in the Indenture.

Amendments to Financing Agreement Requiring Consent of Bondholders

Except for the amendments, changes or modifications of the Financing Agreement as provided in the Indenture, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Financing Agreement without the consent of the Credit Facility Provider (if following the Conversion Date) and the Borrower, and without the giving of notice and the written approval or consent of the Holders of at least 51% of the aggregate principal amount of the Bonds then Outstanding given and procured in accordance with the procedure set forth in the Indenture; provided, however, that nothing contained in the Indenture shall permit, or be construed as permitting, any amendment, change or modification of the Borrower's obligation to make the payments required under the Financing Agreement without the consent of the Holders of all of the Bonds then Outstanding. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Agreement, the Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided in the Indenture. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by Bondholders.

Amendments to the Credit Facility

The Trustee may, without the consent of, or notice to, any of the Bondholders enter into any amendment, change or modification of the Credit Facility (a) as may be required by the provisions of the Credit Facility, (b) to cure any formal defect, omission, inconsistency or ambiguity in the Credit Facility, (c) in a manner which is not prejudicial to the interests of the Bondholders as determined by the Trustee being advised by counsel, a committee of Responsible Officers or by a written confirmation from the Rating Agency of the then existing rating on the Bonds, or (d) as required by the Rating Agency to maintain the then current rating on the Bonds.

Discharge of Lien

If the Issuer shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and in the Indenture, in any one or more of the following ways:

- (a) by the payment of the principal of (including redemption premium, if any) and interest on all Bonds outstanding; or
- (b) by the deposit or credit to the account of the Trustee, in trust, of money or securities in the necessary amount (as provided in the Indenture) to pay the principal, redemption price and interest to the date established for redemption whether by redemption or otherwise; or
- (c) by the delivery to the Trustee, for cancellation by it, of all Bonds Outstanding;

and shall have paid all amounts due and owing to the Credit Facility Provider under the Indenture and under the Credit Facility and the Reimbursement Agreement (if following the Conversion Date), including but not limited to the Freddie Mac Reimbursement Amount and the Freddie Mac Credit

Enhancement Fee, and shall have paid all fees and expenses of and any other amounts due to the Issuer, the Trustee, the Servicer, the Dissemination Agent, the Rebate Analyst, the Remarketing Agent and the Paying Agent, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in the Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estates and rights granted by the Indenture shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien of the Indenture, and reconvey to the Issuer the estate conveyed by the Indenture, and assign and deliver to the Issuer any interest in property at the time subject to the lien of the Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds, the payment of any amounts owed to the United States of America pursuant to the Indenture or the payment of any amounts payable to the Credit Facility Provider.

Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the paragraph above if, under circumstances which do not cause interest on the Bonds to become included in the Holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled: (a) in case such Bond is to be redeemed on any date prior to its maturity, the Trustee shall have given to the Bondholder irrevocable notice of redemption of such Bond on said date; (b) there shall be on deposit with the Trustee, pursuant to the Indenture, either money or direct obligations of the United States of America in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal or redemption price, if applicable, and interest due and to become due on such Bond on the redemption date or maturity date thereof, as the case may be; (c) in the case of Bonds which do not mature or will not be redeemed within 60 days of such deposit, the Trustee shall have received a verification report of a firm of certified public accountants reasonably acceptable to the Trustee as to the adequacy of the amounts so deposited to fully pay the Bonds deemed to be paid; (d) the Trustee shall have received an opinion of nationally recognized bankruptcy counsel, if required by subpart (e) of the definition of "Eligible Funds" in the Indenture, to the effect that such money constitutes Eligible Funds; (e) the Trustee shall have received a written statement from the Issuer stating that all amounts owed to the Issuer in respect of Unassigned Rights have been fully paid (it being understood that certain rights of the Issuer will survive the defeasance of the Bonds); and (f) the Trustee shall have received an opinion of Bond Counsel to the effect that the defeasance of the Bonds is in accordance with the provisions of the Indenture and that such defeasance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

The Trustee shall in no event cause the Bonds to be optionally redeemed from money deposited pursuant to the Indenture unless the requirements of the Indenture have been met with respect to such redemption, including the requirements of the Indenture.

Discharge of Liability on Bonds

Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Indenture) to pay or redeem Outstanding Bonds (whether upon or prior to their maturity or the redemption date of such Bonds) provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, all liability of the Issuer in respect of such Bonds shall cease, terminate and be completely discharged, except only that thereafter the holders thereof shall be entitled to payment by the Issuer, and the Issuer shall remain liable for such payment, but only out of the money or securities deposited with the Trustee as provided in the Indenture for their payment, subject, however, to the provisions of the Indenture.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a brief summary of certain provisions of the Financing Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Financing Agreement, copies of which are on file with the Trustee.

All words and phrases (except for Event of Default) defined in the Indenture shall have the same meanings for the purposes of the Financing Agreement.

Terms of the Bond Loan; Servicing

The Bond Loan shall (i) be evidenced by the Bond Note; (ii) be secured by amounts held in certain funds and accounts maintained by the Trustee in accordance with the Indenture and, in addition, on and following the Conversion Date, by the Credit Facility and the Bond Mortgage; (iii) be in the aggregate principal amount of \$ _____*; (iv) bear interest as provided in the Bond Note; (v) provide for principal and interest payments and payments of purchase price in accordance with the Bond Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided in the Financing Agreement and in the Bond Note.

From and after the Conversion Date, the Servicer shall service the Bond Loan pursuant to the Forward Commitment and the *Guide*. The Issuer, the Trustee and the Borrower acknowledge and agree that (i) selection or removal of any Servicer is in the sole and absolute discretion of the Credit Facility Provider; (ii) neither the Issuer nor the Trustee shall terminate or attempt to terminate any Servicer as the servicer for the Bond Loan or appoint or attempt to appoint a substitute servicer for the Bond Loan; (iii) the Forward Commitment and the *Guide* are each subject to amendment without the consent of the Trustee, the Issuer or the Borrower; and (iv) none of the Trustee, the Issuer or the Borrower shall have any rights under, or be a third party beneficiary of, the *Guide*. From and after the Conversion Date, the Servicer shall have the right to collect all payments made by the Borrower in connection with the Bond Loan and to receive copies of all reports and notices provided for by the Bond Financing Documents.

Assignment to Trustee

The parties to the Financing Agreement acknowledge, and the Borrower consents to, the assignment by the Issuer to the Trustee pursuant to the Indenture of all of the Issuer's right, title and interest in the Financing Agreement (excluding the Unassigned Rights), the Bond Loan, the Revenues and, on and after the Conversion Date, the Bond Mortgage, and the Credit Facility as security for the payment of the principal of, premium, if any, and interest on the Bonds and the payment of the Freddie Mac Credit Enhancement Fee and Freddie Mac Reimbursement Amount.

Payments Under the Bond Note; Independent Obligation of Borrower

The Borrower agrees to repay the Bond Loan as provided in the Bond Note, and in all instances at the times and in the amounts necessary to enable the Trustee, on behalf of the Issuer, to pay all amounts payable with respect to the Bonds, when due, whether at maturity or upon redemption (with premium, if applicable), mandatory tender, acceleration or otherwise. The obligation of the Borrower to make the payments set forth in the Financing Agreement shall be an independent and separate obligation of the Borrower from its obligation to make payments under the Bond Note, provided that in all events payments

* Preliminary; subject to change.

made by the Borrower under and pursuant to the Bond Note shall be credited against the Borrower's obligations under the Financing Agreement on a dollar for dollar basis. If for any reason the Bond Note or any provision of the Bond Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Bond Note or such provision of the Bond Note shall be deemed to be the obligation of the Borrower pursuant to the Financing Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of the Financing Agreement and shall not serve to discharge any of the Borrower's payment obligations under the Financing Agreement or eliminate the credit against such obligations to the extent of payments made under the Bond Note.

The Borrower acknowledges and agrees that, following the Conversion Date, the Servicer may collect monthly payments from the Borrower with respect to the Bond Loan in accordance with the Reimbursement Agreement, but such payments shall not be credited against the principal or interest due with respect to the Bond Loan or the Bond Note until and only to the extent such amounts are used to reimburse the Credit Facility Provider for amounts paid under the Credit Facility to pay principal or interest on the Bonds.

Payment of Certain Fees and Expenses Under the Bond Note

In addition to the payments set forth in the Financing Agreement, payments to be made by the Borrower under the Bond Note include certain money to be paid in respect of, among others, the Ordinary Trustee's Fees and Expenses, the Issuer Fees and Expenses, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, any Extraordinary Trustee's Fees and Expenses, any annual rating maintenance fees of the Rating Agency and amounts required to be deposited in any Custodial Escrow Account pursuant to the Bond Loan Documents, as set forth in the Financing Agreement. To the extent that any portion of the Ordinary Trustee's Fees and Expenses, the Issuer Fees and Expenses, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, any Extraordinary Trustee's Fees and Expenses, any annual rating maintenance fees of the Rating Agency and amounts required to be deposited in a Custodial Escrow Account remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in the Indenture or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in the Financing Agreement.

Prepayment of Bond Loan

The Borrower shall have the option to prepay the Bond Loan in full or in part prior to the payment and discharge of all the outstanding Bonds in accordance with the provisions of the Indenture, the Financing Agreement and the Bond Note, and, following the Conversion Date, only with the prior written consent of the Credit Facility Provider and the payment of any amount due under the next succeeding paragraph. The Borrower shall be required to prepay the Bond Loan in each case that the Bonds are required to be redeemed in accordance with the terms and conditions set forth in the Indenture.

The Bonds are subject to redemption in accordance with the terms and conditions set forth in the Indenture. In connection with any prepayment, whether optional or mandatory, in addition to all other payments required under the Bond Note, the Borrower shall pay, or cause to be paid to the Servicer (from and after the Conversion Date) or other party (from and after the Conversion Date) as directed by the Credit Facility Provider (or, if no Credit Facility is then in effect, to the Trustee), an amount sufficient to pay the redemption price of the Bonds to be redeemed, including principal, interest and premium (if any), such premium to be paid with Eligible Funds not consisting of funds drawn under the Credit Facility (if after Conversion), and further including any interest to accrue with respect to the Bond Loan and such Bonds between the prepayment date and the redemption date, together with a sum sufficient to pay all fees, costs

and expenses in connection with such redemption and, in the case of redemption in whole, to pay all other amounts payable under the Financing Agreement, the Indenture and the Reimbursement Agreement.

The Borrower shall provide notice of the prepayment to the Issuer, the Trustee, and after the Conversion Date, to the Credit Facility Provider and the Servicer in writing forty-five (45) days, or such shorter time as is possible in the case of mandatory prepayments of the Bonds, prior to the date on which the Borrower will make the prepayment. Each such notice shall state, to the extent such information is available, (a) the amount to be prepaid, (b) the date on which the prepayment will be made by the Borrower, and (c) the cause for the prepayment, if any.

Borrower's Obligations Upon Redemption

In the event of any redemption of the Bonds under the Indenture, the Borrower will timely pay, or cause to be paid through the Servicer after the Conversion Date, to the Trustee an amount equal to the principal amount of such Bonds or portions thereof called for redemption, together with interest accrued to the redemption date and premium, if any, such premium to be paid with Eligible Funds not consisting of funds drawn under the Credit Facility. In addition, the Borrower will timely pay all fees, costs and expenses associated with any redemption of Bonds.

Performance of Obligations

The Borrower shall keep and faithfully perform all of its covenants and undertakings contained in the Financing Agreement and in the Bond Financing Documents, including, without limitation, its obligations to make all payments set forth in the Financing Agreement and therein in the amounts, at the times and in the manner set forth in the Financing Agreement and therein.

Indenture Provisions

The execution of the Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower. Whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower shall carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

No Alternate Credit Facility

The Borrower shall not be permitted to replace the Credit Facility for the Bonds.

Sale or Other Transfer of Project

Subject to the Intercreditor Agreement, the Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Bond Loan Documents and upon receipt of the prior written consent of the Issuer and the Credit Facility Provider.

Right to Perform Borrower's Obligations

In the event the Borrower fails to perform any of its obligations under the Financing Agreement, the Issuer, the Trustee and/or the Servicer (from and after the Conversion Date), after giving requisite notice, if any, and subject to the Intercreditor Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Trustee or the Servicer (from and after the Conversion Date) shall become an additional obligation of the Borrower

under the Financing Agreement, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Bond Loan Documents.

Limitation With Respect to the Credit Facility Provider

Notwithstanding anything in the Financing Agreement to the contrary, in the event that the Credit Facility Provider shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Bond Loan, the Credit Facility Provider shall not be liable for any breach or default of any prior owner of the Project under the Financing Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Credit Facility Provider is the owner of the Project. Accordingly, during any period that the Credit Facility Provider owns the Project and that the Financing Agreement is applicable to the Credit Facility Provider, the Credit Facility Provider’s obligations under the Financing Agreement shall be limited to acts and omissions of the Credit Facility Provider occurring during the period of the Credit Facility Provider’s ownership of the Project.

Events of Default

The following shall be “Events of Default” under the Financing Agreement and the term “Event of Default” shall mean, whenever it is used in the Financing Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Bond Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Issuer for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under the Financing Agreement, the Bond Note or the Bond Mortgage at the times and in the amounts required by the Financing Agreement, the Bond Note and the Bond Mortgage, as applicable;

(c) The Borrower’s failure to observe and perform any of its other covenants, conditions or agreements contained in the Financing Agreement, other than as referred to in clause (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given by the Issuer, the Credit Facility Provider (after Conversion) or the Trustee to the Borrower; provided, however, that if the failure shall be such that it can be corrected but not within such period, the Issuer, the Credit Facility Provider (after Conversion) and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected; or

(d) After the Conversion Date, the occurrence of an event of default (after expiration of any notice and cure period, if applicable) under the Reimbursement Agreement shall at the discretion of the Credit Facility Provider constitute an Event of Default under the Financing Agreement but only if the Trustee and the Issuer are provided written notice thereof by the Credit Facility Provider that an Event of Default has occurred under the Reimbursement Agreement and the Trustee and the Issuer are instructed by the Credit Facility Provider that such default constitutes an Event of Default under the Financing Agreement. The occurrence of an Event of Default under the Financing Agreement shall in the discretion of the Credit Facility Provider constitute a default under the Bond Loan Documents and the Reimbursement Agreement

Nothing contained under this heading is intended to amend or modify any of the provisions of the Bond Financing Documents or to bind the Issuer, the Trustee, the Servicer or the Credit Facility Provider to any notice and cure periods other than as expressly set forth in the Bond Financing Documents.

Remedies on Default

Subject to the provisions of the Financing Agreement and, following the Conversion Date, provisions of the Intercreditor Agreement, whenever any Event of Default under the Financing Agreement shall have occurred and be continuing, the Trustee or the Issuer where so provided may take any one or more of the following remedial steps:

(a) The Issuer shall cooperate with the Trustee as the Trustee acts pursuant to the Indenture.

(b) In the event any of the Bonds shall at the time be Outstanding and not paid and discharged in accordance with the provisions of the Indenture, the Issuer or the Trustee may have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(c) The Issuer or the Trustee may, without being required to give any notice (other than to the Issuer or the Trustee, as applicable), except as provided in the Financing Agreement, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(d) The Issuer or Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments due under the Financing Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Financing Agreement.

Any amounts collected pursuant to the Financing Agreement and any other amounts which would be applicable to payment of principal of, interest and any premium (if any) on the Bonds collected pursuant to action taken under the Financing Agreement shall be applied in accordance with the provisions of the Indenture.

The provisions of this section of the Financing Agreement are subject to the further limitation that if, after any Event of Default under the Financing Agreement all amounts which would then be payable under the Financing Agreement by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and the Borrower shall have also performed all other obligations in respect of which it is then in default under the Financing Agreement, and shall have paid the reasonable charges and expenses of the Issuer, the Trustee, and following the Conversion Date, the Servicer and the Credit Facility Provider, including reasonable attorneys' fees paid or incurred in connection with such default, and shall have paid all amounts then due to the Credit Facility Provider, including, but not limited to, any Freddie Mac Reimbursement Amounts and Freddie Mac Credit Enhancement Fees, and if there shall then be no default existing under the Indenture, then and in every such case such Event of Default under the Financing Agreement shall be waived and annulled, but no such waiver or annulment shall affect any subsequent or other Event of Default or impair any right consequent thereon.

No Remedy Exclusive

No remedy conferred upon or reserved to the Issuer or the Trustee by the Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Financing Agreement or existing at or after the time of execution of the Financing Agreement at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in the Financing Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required by the Financing Agreement.

Rights of Credit Facility Provider

Notwithstanding anything in the Financing Agreement to the contrary, following the Conversion Date, as long as a Wrongful Dishonor (as defined in the Financing Agreement) has not occurred with respect to the Credit Facility, none of the Issuer, the Trustee or any other person shall, upon the occurrence of an Event of Default under the Financing Agreement or an event of default under any other Bond Financing Document, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Loan, except at the written direction of the Credit Facility Provider; provided that this prohibition shall not be construed to limit the rights of the Issuer or the Trustee to specifically enforce the Tax Certificate and the Regulatory Agreement in order to provide for operation of the Project in accordance with the Code and the laws of the State, including the Act or to enforce the Unassigned Rights; and provided further that this prohibition shall not be construed to limit the rights of the Issuer, the Trustee, the Servicer, the Credit Facility Provider or any indemnified party under the Financing Agreement to enforce its rights against the Borrower under the Financing Agreement by mandamus or other suit, action or proceeding at law or in equity where such suit, action or proceeding does not seek any remedies under or with respect to the Bond Mortgage or cause acceleration of the Bond Loan.

Equity Investor Notice and Cure Rights

Notwithstanding anything in the Financing Agreement to the contrary, any cure of an Event of Default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower (but only if and to the extent a cure right is provided to the Borrower for any such Event of Default) and shall be accepted or rejected on the same basis as if made or tendered by the Borrower. Whenever in the Financing Agreement the giving of notice for an Event of Default is required, a courtesy copy of such notice shall be delivered by Issuer or Trustee to the Equity Investor as set forth in the Financing Agreement; provided however that any failure to provide such courtesy copy notice will not affect the validity or sufficiency of any notice to Borrower, will not affect the Issuer's, the Trustee's or following the Conversion Date, the Credit Facility Provider's rights and remedies under the Financing Agreement or under any other Bond Financing Documents, nor subject the Issuer, the Trustee or following the Conversion Date, the Credit Facility Provider to any claims by or liability to Equity Investor.

Credit Facility Provider and Servicer as Third Party Beneficiaries

The parties to the Financing Agreement agree and acknowledge that, following the Conversion Date, the Credit Facility Provider and the Servicer will be third party beneficiaries of the Financing Agreement.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

The following is a brief summary of certain provisions of the Land Use Restriction Agreement (the "Regulatory Agreement"). The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Regulatory Agreement, copies of which are on file with the Trustee. All terms not otherwise defined below shall have the meaning given to such terms in the Indenture or the Regulatory Agreement.

Qualified Residential Rental Project

The Issuer and the Borrower declare their understanding and intent that the Project is to be owned, managed and operated as a "qualified residential rental project," as such phrase is utilized in Section 142(d) of the Code, throughout the Term of the Regulatory Agreement. To that end, the Borrower represents, covenants and agrees as follows throughout the Term of the Regulatory Agreement:

The Project will be constructed, equipped and operated for the purpose of providing multifamily rental housing, and the Project shall be owned, managed and operated as a "qualified residential rental project" within the meaning of Section 142(d) of the Code, the applicable Treasury Regulations and the other Tax Requirements. At least 95 percent of the net proceeds of the Bonds will be used for Qualified Project Costs.

Except as otherwise permitted by this section of the Regulatory Agreement, all of the Units in the Project shall be, and will remain, similarly constructed, and each Unit shall contain complete facilities for living, sleeping, eating, cooking and sanitation for at least a single person.

Except as otherwise permitted by this section of the Regulatory Agreement, (i) none of the Units in the Project shall at any time be utilized on a transient basis; (ii) none of the Units in the Project shall ever be leased or rented for a period of less than thirty (30) days; and (iii) neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, health club (which shall not be construed to include recreational facilities which are available only to all tenants and their guests), trailer court or park.

All Units in the Project shall be leased and rented or made available for rental on a continuous basis to members of the general public, and the Borrower shall not give preference in renting Units in the Project to any particular class or group of persons, other than Lower-Income Tenants as provided in the Regulatory Agreement; provided, however, an insubstantial number of Units in the Project (which number, if more than 4 Units, shall have been approved by Bond Counsel in writing) may be occupied by maintenance, security or managerial employees of the Borrower or its property manager, which employees must be reasonably necessary for the operation of the Project.

The Borrower will not sell, transfer or otherwise dispose of the Project to a cooperative housing corporation unless: (1) the corporation is a limited equity cooperative that is a qualified cooperative housing corporation as defined in Section 143(k) of the Code, and (2) the Borrower fully complies with the requirements of the Regulatory Agreement, including obtaining an opinion of Bond Counsel to the effect that such transfer will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

The Project consists of one or more discrete edifices or other man-made construction, each consisting of an independent foundation, outer walls and roof, all of which are (i) owned by the same

“person” (as such term is used in the Code) for federal tax purposes, (ii) located on a common tract of land or two or more tracts of land which are contiguous except for being separated only by a road, street, stream or similar property, and (iii) financed by the Loan or otherwise pursuant to a common plan of financing, and which will consist entirely of:

- (i) Units which are similar in quality and type of construction and amenities, and
- (ii) Facilities Functionally Related and Subordinate in purpose and size to property described above, e.g., parking areas, laundries, swimming pools, tennis courts and other recreational facilities (none of which may be unavailable to any person because such person is a Lower-Income Tenant) and other facilities that are reasonably required for the Project, e.g., heating and cooling equipment, trash disposal equipment or Units for residential managers or maintenance personnel.

The Borrower may impose additional charges for the use of certain Functionally Related and Subordinate facilities (e.g., recreational facilities) provided all such facilities are available to and affordable by all tenants in the Project on equal terms, no persons who are not tenants or guests of tenants will be permitted to use such facilities and the charges, if any, are reasonable in relation to the use of such facilities.

The Project will not include a Unit in the building unless all Units in such a building are also included in the Project.

The Borrower has not and shall not discriminate on the basis of race, creed, religion, color, sex, age or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

The Borrower will not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, State or local program, but the Borrower will not be required to permit more persons to occupy a Unit than may be allowed under local zoning laws, the Regulatory Agreement or HUD program standards.

The Borrower shall submit to the Secretary of the United States Department of the Treasury, with copies to the Issuer and the Trustee, on or before March 31 of each year during the Qualified Project Period the annual certification of compliance in the form, at the time and in the manner required under Section 142(d)(7) of the Code (Internal Revenue Service Form 8703). On or before each February 15 of each year during the Qualified Project Period, the Borrower will submit to the Trustee and the Issuer a draft of the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the United States Department of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. The failure of the Borrower to submit the required annual compliance certification shall subject the Borrower to the penalty provided in Section 6652(j) of the Code.

Notwithstanding anything contained in the Regulatory Agreement to the contrary, any Unit shall not fail to be treated as a unit in a “qualified residential rental project” merely because such unit is a single-room occupancy unit (within the meaning of Section 42(i)(3)(B)(iv) of the Code).

THE BORROWER AGREES TO NOTIFY THE TRUSTEE AND THE ISSUER IN WRITING OF ANY EVENT OF DEFAULT BY THE BORROWER IN THE PERFORMANCE OR OBSERVANCE OF ANY COVENANT, AGREEMENT, REPRESENTATION, WARRANTY OR OBLIGATION OF THE BORROWER KNOWN TO IT SET FORTH IN THE REGULATORY AGREEMENT, SUCH NOTICE TO BE DELIVERED WITHIN FIVE (5) BUSINESS DAYS OF KNOWLEDGE OF SUCH

EVENT OF DEFAULT UNLESS CURED BEFORE TERMINATION OF SUCH NOTICE PERIOD. THE BORROWER ALSO SHALL NOTIFY THE TRUSTEE AND THE ISSUER IN WRITING OF ANY EVENT OR CONDITION WHICH WITH THE LAPSE OF TIME OR THE GIVING OF NOTICE, OR BOTH, WOULD CONSTITUTE AN EVENT OF DEFAULT UNDER THE REGULATORY AGREEMENT, SUCH NOTICE TO BE DELIVERED WITHIN FIVE (5) BUSINESS DAYS OF KNOWLEDGE OF SUCH EVENT OF DEFAULT UNLESS CURED BEFORE TERMINATION OF SUCH NOTICE PERIOD.

Lower-Income Tenants

In order to satisfy the requirements of Section 142(d) of the Code, the Borrower represents, covenants and agrees that throughout the Term of the Regulatory Agreement:

(a) Commencing with the Occupancy Date not less than 40% of the Units in the Project at all times throughout the Qualified Project Period shall be rented to and occupied (or held available for rent, if previously rented to and occupied by a Lower-Income Tenant) by Lower-Income Tenants as required by Section 142(d) of the Code. For purposes of satisfying the requirement that not less than 40% of the Units be occupied by Lower-Income Tenants, a Lower-Income Tenant shall continue to qualify as a Lower-Income Tenant if, after admission, the Lower-Income Tenant's Adjusted Household Income exceeds the applicable qualifying income level set forth in the definition of "Lower-Income Tenant" herein so long as the Adjusted Household Income of such tenant does not exceed one hundred forty percent (140%) of the then current maximum allowable Adjusted Household Income for Lower-Income Tenants of the same family size. If, as of the most recent annual Income Certification, it is determined that the Adjusted Household Income of a person or family occupying a Qualified Unit exceeds one hundred forty percent (140%) of the then current maximum allowable Adjusted Household Income for Lower-Income Tenants and subsequent to such determination, but before the next determination, any Unit in the Project of which the Unit is a part of comparable or smaller size is rented to persons other than Lower-Income Tenants, then such person or family occupying such Qualified Unit shall no longer qualify as a Lower-Income Tenant. If necessary, the Borrower shall refrain from renting dwelling Units in the Project of which the Unit is a part to persons other than Lower-Income Tenants in order to avoid violating the requirement that at all times during the Qualified Project Period not less than 40% of the completed dwelling Units in the Project shall be occupied by Lower-Income Tenants.

(b) If a Unit is vacated by an individual or family who qualified as Lower-Income Tenants, such Unit may continue to be treated as rented to and occupied by Lower-Income Tenants until reoccupied, other than for a temporary period of not more than thirty one (31) days, at which time the character of the Unit shall be re-determined provided that the next available Unit of comparable or smaller size is rented to and occupied by a Lower-Income Tenant.

(c) The Borrower shall obtain and maintain on file with respect to each Lower-Income Tenant residing in the Project: (i) a sworn Income Certification from each tenant dated immediately prior to the initial occupancy of such tenant in the Project (and, if the Income Certification was executed by such tenant more than thirty (30) days prior to such tenant's initial occupancy in the Project, the Borrower shall require such tenant to recertify the accuracy of the information therein and to provide any updated information necessary in order for the Income Certification to be true and correct as of the date of initial occupancy), in the form and containing such information as may be required by Section 142(d) of the Code (initially substantially in the form attached to the Regulatory Agreement as an exhibit, as the same may be amended from time to time by the Issuer on the written advice of Bond Counsel), or in such other form and manner as may be required or permitted by the Tax Requirements, and (ii) an annual Income Certification for each tenant for each

year of such tenant's occupancy; provided, however, that subsection (ii) shall not apply with respect to the Project for any year if during such year no Unit in the Project is occupied by a new tenant who is not a Lower-Income Tenant. Photocopies of each such initial and annual Income Certification obtained by the Borrower during the Term of the Regulatory Agreement shall be submitted to the Issuer (1) within fifteen (15) days following the end of each such calendar month, which submission shall be together with the Compliance Certificate required under this Section of the Regulatory Agreement below, and (2) when otherwise requested by the Issuer, which may be as often as may be necessary, in the written opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. The Borrower shall make a good-faith effort to determine that the income information provided by an applicant in an Income Certification is accurate.

(d) The Borrower shall maintain complete and accurate records pertaining to the Units occupied or to be occupied by Lower-Income Tenants, and shall permit any duly authorized representative of the Trustee, the Issuer, the United States Department of the Treasury, or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the incomes, the Income Certifications and income substantiation materials of Lower-Income Tenants of the Project upon reasonable notice and at reasonable times.

(e) The Borrower shall immediately notify the Issuer and the Trustee if at any time less than 40% of the Units in the Project are not occupied or available for occupancy as provided in subparagraph (a) of this section. The Borrower shall prepare and submit to the Issuer and the Trustee not later than the fifteenth (15th) day of each month during the Term of the Regulatory Agreement, the Compliance Certificate attached as an exhibit to the Regulatory Agreement executed by the Borrower or its management agent stating, among other things, the number of Units of the Project which, as of the first day of such month, in each case, were occupied by Lower-Income Tenants, were deemed to be occupied by Lower-Income Tenants as provided in this section above, and stating that all Units in the Project are occupied by or held available for rental and that not less than 40% of the Units in the Project are occupied by or held available for rental to Lower-Income Tenants.

(f) The Borrower shall prepare and submit to the Issuer and the Trustee within thirty (30) days after each anniversary of the Occupancy Date a certificate executed by the Borrower stating: (i) the lowest percentage of the dwelling Units in the Project that were occupied, or held available for occupancy, by Lower-Income Tenants during such period, and (ii) that to its knowledge either (A) no unremedied Event of Default has occurred under either the Financing Agreement or the Regulatory Agreement, or (B) an Event of Default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Borrower to remedy such Event of Default, and (iii) that, to the knowledge of the Borrower, no Determination of Taxability has occurred, or if a Determination of Taxability has occurred, summarizing all material facts relating thereto.

(g) Commencing on the date of the Regulatory Agreement, the form of lease to be used by the Borrower in renting any Units in the Project to any Lower-Income Tenants shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Lower-Income Tenant, as applicable, as a result of any material misrepresentation (whether intentional or not) made by such person with respect to his or her income and income verification. Each such lease or rental agreement shall also provide that the tenant's income is subject to annual certification in accordance with this section of the Regulatory Agreement, and that if the tenant refuses to provide the necessary information for annual certification within 30 days of a written request by the Borrower for such information, the tenant will be subject to immediate eviction for failure to provide such information. If upon any such certification such tenant's and all occupants

of the household's Adjusted Income exceeds one hundred forty percent (140%) of the applicable income limit for a Lower-Income Tenant of the same family size, such tenant may cease to qualify as a Lower-Income Tenant, but shall not be subject to eviction solely because such tenant ceased to qualify as a Lower-Income Tenant.

(h) The Borrower shall determine Lower-Income Tenant income in accordance with HUD regulations and in accordance with regulations, rulings or procedures issued or adopted by the United States Department of the Treasury or the Internal Revenue Service with respect to projects financed pursuant to Section 142(d) of the Code and applicable to the Project.

(i) The Issuer elects in accordance with Section 142(d)(1) of the Code to apply to the Project the occupancy requirements for Lower-Income Tenants set forth above in this section of the Regulatory Agreement, and the Borrower hereby irrevocably consents to this election.

(j) All Income Certifications will be maintained on file at the Project as long as the Regulatory Agreement is in effect and for three (3) years thereafter with respect to each Lower-Income Tenant who occupied a Unit in the Project during the Qualified Project Period.

Sale, Conveyance or Transfer of Project

So long as no Event of Default shall have occurred and be continuing under the Regulatory Agreement, the Project may be conveyed or otherwise transferred and the transferring Borrower shall be released from its obligations under the Regulatory Agreement from and after the date of such transfer, but only following written notice to the Trustee and the Issuer, and with the prior written consent of the Issuer, provided the following conditions have been satisfied: (i) the new Borrower shall unconditionally assume in writing in recordable form all obligations of the Borrower under the Regulatory Agreement from and after the date of such transfer, including, without limitation, an express unconditional covenant to fully comply with all provisions of the Regulatory Agreement concerning the operation of the Project and the leasing of Units to Lower-Income Tenants, which unconditional assumption shall be in form and substance reasonably satisfactory to Bond Counsel, and which unconditional assumption shall be recorded in the official land records of Fairfax County, Virginia; (ii) an opinion of counsel of the transferee shall be provided that the transferee has duly assumed the obligations of the Borrower under the Regulatory Agreement and that such obligations and the Regulatory Agreement are valid and binding on the transferee and enforceable against the transferee in accordance with their terms; and (iii) an opinion of Bond Counsel shall be provided to the effect that such transfer will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

The restrictions contained above in this section of the Regulatory Agreement shall not be applicable to any of the following exceptions: (i) any sale, transfer, assignment, encumbrance or addition of any partnership or membership interest in the Borrower or any Affiliate (provided that, in such event at least one of the general partners or members of the Borrower prior to such event shall remain an Affiliate or a general partner or member of the Borrower after such event and the percentage of ownership interest in the Borrower shall not change by more than fifty percent (50%)), (ii) grants of utility related easements and service or concession, related leases or easements, including, without limitation, laundry service leases and/or television cable easements, over portions of the Project, provided the same are granted in the ordinary course of business in connection with the operation of the Project as contemplated by the Regulatory Agreement, (iii) leases of Units to Lower-Income Tenants or other tenants, (iv) any sale or conveyance to a condemning governmental authority as a direct result of a condemnation or a governmental taking or a threat thereof, or (v) any change in allocations of preferred return capital, depreciation or losses or any final adjustments in capital accounts of any partnership or limited liability company Borrower (all of which may

be freely transferred or adjusted by Borrower pursuant to Borrower's partnership agreement or operating agreement, as applicable).

Notwithstanding anything to the contrary contained in the Regulatory Agreement, the following transactions are hereby deemed to be expressly permitted hereunder:

- (i) the transfer by the Investor Member (as such term is defined in the Amended and Restated Operating Agreement of the Borrower, (the "Operating Agreement") of membership interests in the Borrower to any other entity which is an affiliate of the Investor Member pursuant to the Operating Agreement;
- (ii) the pledge and encumbrance of the interests of the Investor Member to or for the benefit of any financial institution which enables the Investor Member to make its capital contributions to the Borrower;
- (iii) the transfer by the Investor Member and/or the Special Member of their interests in the Borrower in accordance with the terms of the Operating Agreement;
- (iv) the removal of the Managing Member of the Borrower in accordance with the Operating Agreement and the replacement thereof with the Investor Member, the Special Member or any of its Affiliates;
- (v) the transfer of interests in the Investor Member and/or Special Member;
- (vi) upon the expiration of the tax credit period, the transfer of the interests of the Investor Member and/or the Special Member to the Managing Member or its Affiliates; and
- (vii) any amendment to the Operating Agreement to memorialize the transfers or removal referenced above.

It is expressly stipulated and agreed that any sale, transfer or other disposition of the Project by the Borrower in violation of this section of the Regulatory Agreement shall be null, void and without effect, and shall be ineffective to relieve either the transferor Borrower or the transferee entity of its obligations under the Regulatory Agreement.

The Borrower shall include by incorporation the requirements and restrictions contained in the Regulatory Agreement in any deed, assignment or other documents transferring any interest in the Project to another person (other than transfers described in this section above) to the end that such transferee has notice of and is bound by such restrictions, and shall obtain the express agreement from any transferee so to abide, as required in the Regulatory Agreement. If the transferor Borrower and its transferee fully comply with all requirements of this section of the Regulatory Agreement (including, without limitation, the written and recorded assumption by the transferee of all obligations of the Borrower under the Regulatory Agreement from and after the date of transfer), then upon the transfer and conveyance of the Project such transferor shall be relieved from its obligations under the Regulatory Agreement from and after the date of transfer, and all references to the "Borrower" shall be deemed to refer to such transferee.

Term of the Regulatory Agreement

The Regulatory Agreement shall become effective upon its execution and delivery and recordation in the real property records of Fairfax County, Virginia, and shall remain in full force and effect until the expiration of the Qualified Project Period, it being expressly agreed and understood that the provisions of

the Regulatory Agreement may survive the repayment in full of the Bonds if such repayment occurs prior to the expiration of the Qualified Project Period. Upon the termination of the Regulatory Agreement, upon request of any party hereto, the Issuer, the Trustee, the Borrower and any successor party hereto shall execute a recordable document further evidencing and confirming such termination.

Notwithstanding the foregoing provisions of the Regulatory Agreement, the restrictions contained in the Regulatory Agreement regarding the use and operation of the Project shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, condemnation or similar governmental taking by eminent domain, change in a federal law or an action of a federal agency after the date the Bonds are issued which prevents compliance with the covenants expressed in the Regulatory Agreement, BUT ONLY IF, either (i) all Bonds have been or within a reasonable period thereafter are redeemed and paid in full and all obligations under the Financing Agreement are paid in full, or (ii) within a reasonable period amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulation Section 1.103-8(b); and there is an opinion of Bond Counsel that such use of the amounts received does not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes. In either event, upon the written request of the Borrower and at the expense of the Borrower, the parties to the Regulatory Agreement shall execute an appropriate document in recordable form to evidence and confirm such automatic termination; provided, however, the restrictions of the Regulatory Agreement shall nevertheless apply to the Project if, at any time during that part of the Qualified Project Period subsequent to a foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or a related person (as that term is defined in Treasury Regulation 1.103-10(e)) obtains an ownership interest in the Project for tax purposes; and the restrictions contained in the section of the Regulatory Agreement titled "Lower-Income Tenants" shall nevertheless apply to the Project if at any time during the term applicable to section 7 of the Regulatory Agreement, the Borrower, or any entity that includes the Borrower or those with whom the Borrower has or had family or business ties, obtains an ownership interest in the Project.

Notwithstanding any other provisions of the Regulatory Agreement, except for such provisions as determined by the Issuer to be necessary or appropriate to continue in full force and effect the provisions of the section of the Regulatory Agreement titled "Lower-Income Tenants," the entire Agreement or any of the provisions or sections hereof, other than the section of the Regulatory Agreement titled "Lower-Income Tenants" and such other provisions as determined by Issuer, may be terminated upon agreement in writing by the Issuer, the Trustee and the Borrower, if there shall have been received an opinion of Bond Counsel that such termination will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes. After the date on which no Bonds remain outstanding, as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under the Regulatory Agreement and all references to the Trustee in the Regulatory Agreement shall be deemed references to the Issuer.

Events of Default and Enforcement

If the Borrower defaults in the performance or observance of any covenant, agreement or obligation under the Regulatory Agreement, and if such default remains uncured for a period of sixty (60) days after notice specifying such default and the actions required to correct the same shall have been given by the Trustee or the Issuer to the Borrower (or for an extended cure period approved in writing by Bond Counsel if such default stated in such notice can be corrected, but not within such 60-day period), then such uncured breach or default shall constitute an "Event of Default" under the Regulatory Agreement.

Upon the occurrence of an Event of Default as per the terms of the Regulatory Agreement, the Issuer may take whatever other action at law or in equity or otherwise, whether for specific performance of

any covenant in the Regulatory Agreement or such other remedy as may be deemed most effectual by the Issuer to enforce the obligations of the Borrower under the Regulatory Agreement, and including the appointment of a receiver to operate the Project in compliance with the Regulatory Agreement, or the institution and prosecution of any action or proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation.

In addition to any and all other available remedies, the Borrower consents and agrees that any one or more of the following remedies shall be available upon the occurrence of an Event of Default as described in the Regulatory Agreement:

(i) The Borrower acknowledges and agrees that specific performance of the covenants and requirements of the Regulatory Agreement shall be necessary to achieve the intent hereof, and that no appropriate remedy at law would be available upon an Event of Default hereunder, or if available, any such remedy would be inadequate to implement the public purposes of the Act and to maintain the excludability from gross income of interest on the Bonds for federal tax purposes, and that the Trustee, the Issuer and the holders of the Bonds would be irreparably injured by the Borrower's failure specifically to perform the covenants and requirements of the Regulatory Agreement; therefore, notwithstanding anything to the contrary stated in the Regulatory Agreement, the Trustee and the Issuer each will have the right to seek specific performance of any of the covenants and requirements of the Regulatory Agreement concerning the acquisition, construction and operation of the Project or an order enjoining any violation of the Regulatory Agreement.

(ii) The Borrower agrees that the appointment of a receiver may be necessary to prevent waste to the Project and to maintain the excludability from gross income of interest on the Bonds for federal tax purposes, following an Event of Default by the Borrower under the Regulatory Agreement. The Issuer or Trustee may require the appointment of such a receiver.

No remedy conferred upon or reserved to the Issuer or the Trustee by the Regulatory Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Regulatory Agreement, the Financing Agreement or the Indenture or any related documents, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any failure to perform under the Regulatory Agreement shall impair any such right or power or shall be construed to be a waiver thereof. The Issuer hereby authorizes and directs the Trustee to enforce any and all of the Issuer's rights and remedies hereunder on behalf of the Issuer in the event the Issuer fails to exercise the same and the Trustee hereby acknowledges its right to enforce such rights and remedies.

The Trustee and the Issuer shall have the right, either jointly or severally, to enforce the Regulatory Agreement and require curing of an Event of Default under the Regulatory Agreement by the Borrower in periods shorter than otherwise specified in this section if Bond Counsel shall, in writing, opine to the parties that it is necessary to effect a cure within a shorter period in order to maintain the excludability from gross income of interest on the Bonds for federal tax purposes.

No Event of Default under the Regulatory Agreement shall constitute a default under the Note or Project Note.

The Investor Member and the Special Member shall be entitled to cure any Event of Default under the Regulatory Agreement to the same extent, upon the same terms and within the same time frame provided to the Borrower under the Regulatory Agreement. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Member or the Special Member shall be deemed to

be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT

The Issuer, the Trustee and Freddie Mac have agreed upon their respective rights arising from an Event of Default under any Bond Financing Document in the Intercreditor Agreement. The following is a brief summary of certain provisions of the Intercreditor Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full text of the Intercreditor Agreement, a copy of which is on file with the Trustee.

Under the terms of the Intercreditor Agreement, the Issuer, the Trustee and Freddie Mac have agreed, among other things, that, until either (a) Freddie Mac fails to honor a draw properly presented in accordance with the terms of the Credit Enhancement Agreement or (b) the Credit Enhancement Agreement terminates in accordance with its terms and all of the Borrower's obligations to Freddie Mac under the Reimbursement Agreement shall have been paid in full, certain of the rights and remedies of the Issuer and the Trustee under certain of the Bond Financing Documents, including (without limitation) the rights and remedies of the beneficiary under the Bond Mortgage, may be exercised only with the prior written consent or solely at the direction of Freddie Mac, in its sole discretion, including (without limitation) the right to waive certain terms and conditions of certain of the Bond Financing Documents pertaining to the Borrower.

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APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT

The following is a brief summary of the Reimbursement Agreement to be effective following Conversion. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full text of the Reimbursement Agreement, a copy of which is on file with the Trustee.

Defined Terms

Capitalized terms used under this heading and not defined hereunder or elsewhere in this Official Statement will have the meanings assigned thereto in the Reimbursement Agreement.

General

The obligations of the Borrower to Freddie Mac with respect to payments made pursuant to the Credit Enhancement Agreement will be evidenced by the Reimbursement Agreement. Under the Reimbursement Agreement, the Borrower will be obligated to repay Freddie Mac all sums of money Freddie Mac has advanced to the Trustee under the Credit Enhancement Agreement. The Reimbursement Agreement also provides that the Borrower is to pay the Freddie Mac Credit Enhancement Fee, the Servicing Fee (as such fees are set forth in the Reimbursement Agreement), make scheduled monthly deposits to fund certain reserves (which have been established solely for the benefit of Freddie Mac) and other fees and expenses as provided therein.

Events of Default

The occurrence of any one or more of the following will constitute an Event of Default under the Reimbursement Agreement:

- (i) the Borrower fails to pay when due any amount payable by the Borrower under the Reimbursement Agreement, including, without limitation, any fees, costs or expenses;
- (ii) the Borrower fails to perform its obligations under the Reimbursement Agreement relating to maintaining the tax exempt status of the Bonds, maintaining its character as a single purpose entity, amending or modifying its organizational documents without Freddie Mac's consent, dissolving or liquidating in whole or in part, permitting subordinate financings with respect to the Project or prepaying the Bond Loan except in accordance with the Reimbursement Agreement;
- (iii) the Borrower fails to observe or perform any other term, covenant, condition or agreement set forth in the Reimbursement Agreement, which failure continues for a period of 30 days after notice of such failure by Freddie Mac to the Borrower (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in Freddie Mac's sole discretion, adversely affect Freddie Mac or result in impairment of the Reimbursement Agreement, the Bond Mortgage, the Reimbursement Mortgage or any other Reimbursement Security Document, in which case no Event of Default shall be deemed to exist so long as Borrower shall have commenced to cure the default or Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods will apply in the case of any such failure which could, in Freddie Mac's judgment, absent immediate exercise by Freddie Mac of a

right or remedy under the Reimbursement Agreement, result in harm to Freddie Mac, impairment of the Reimbursement Agreement, the Bond Mortgage, the Reimbursement Mortgage or any other Reimbursement Security Document;

(iv) the Borrower fails to observe or perform any other term, covenant, condition or agreement set forth in any of the other Borrower Documents (as defined in the Reimbursement Agreement) or there otherwise occurs an “Event of Default” under the Reimbursement Mortgage, an event of default under the Conventional Loan Documents, or an event of default under any of the other Borrower Documents (taking into account any applicable cure period);

(v) any representation or warranty made by or on behalf of the Borrower in the Reimbursement Agreement, in any other Borrower Document or in any certificate delivered by the Borrower to Freddie Mac or to the Freddie Mac Servicer pursuant to the Reimbursement Agreement or any other Borrower Document is inaccurate or incorrect in any material respect when made or deemed made;

(vi) the Borrower fails to pay the tax abatement prepayment in accordance with the Reimbursement Agreement in the event the tax abatement is not obtained;

(vii) the Borrower shall fail to complete all repairs and other rehabilitation in the time and manner required under the Rehabilitation Escrow Agreement; or

(viii) a default or event of default occurs under the terms of any other indebtedness permitted to be incurred by the Borrower (after taking into account any applicable notice and cure period).

Remedies

Upon the occurrence of an Event of Default, Freddie Mac may declare all the obligations of the Borrower under the Reimbursement Agreement to be immediately due and payable, in which case all such obligations will become due and payable, without presentment, demand, protest or notice of any kind, including notice of default, notice of intent to accelerate or notice of acceleration. In addition to the foregoing, Freddie Mac has the right to take such action at law or in equity, without notice or demand, as it deems advisable to protect and enforce the rights of Freddie Mac against the Borrower in and to the Project conveyed by the Reimbursement Mortgage or the Bond Mortgage, including, but not limited to, the following actions: (i) demand cash collateral or Qualified Investments in the full amount of the obligations under the Bonds whether or not then due and payable by Freddie Mac under the Credit Enhancement Agreement; (ii) give written notice to the Trustee stating that an Event of Default has occurred and is continuing under the Reimbursement Agreement and directing the Trustee to accelerate or cause the mandatory redemption (or purchase in lieu) of the Bonds; (iii) exercise any rights and remedies available to Freddie Mac under any of the Borrower Documents; and (iv) exercise the same rights, powers, and remedies with respect to the UCC Collateral (as defined in the Reimbursement Agreement) that the Borrower may exercise, which rights, powers, and remedies are incorporated therein by reference for all purposes. In furtherance and not in limitation of the foregoing, Freddie Mac shall have all rights, remedies and recourses with respect to the UCC Collateral granted in the Borrower Documents and any other instrument executed in connection therewith, or existing at common law or equity (including specifically those granted by the Uniform Commercial Code as adopted in the State and any other state in which the filing of a UCC financing statement is necessary to perfect Freddie Mac’s security interest), the right of offset, the right to sell the UCC Collateral at public or private sale, and the right to receive distributions to the Borrower.

Freddie Mac has the right, to be exercised in its discretion, to waive any Event of Default under the Reimbursement Agreement. Unless such waiver expressly provides to the contrary, any waiver so granted will extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

Reimbursement Mortgage

The obligations of the Borrower under the Reimbursement Agreement will be secured by the Reimbursement Mortgage. The Reimbursement Mortgage will be subordinate to the Bond Mortgage, subject to the terms of the Intercreditor Agreement. Bondholders will have no rights under and are not third-party beneficiaries under the Reimbursement Mortgage.

Amendments

The Reimbursement Agreement can be amended by Freddie Mac and the Borrower without the consent of, or notice to, the Issuer, the Trustee or the holders of the Bonds.

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APPENDIX G

FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT

Freddie Mac Loan No. 511500572

CREDIT ENHANCEMENT AGREEMENT

between

FEDERAL HOME LOAN MORTGAGE CORPORATION

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee**

**Relating to a
Bond Mortgage Loan
Securing**

\$_[_____]
**Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 – NW4 Project)
Series 2024A**

Dated as of [_____ 1, 20__]

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CREDIT ENHANCEMENT AGREEMENT

THIS CREDIT ENHANCEMENT AGREEMENT (this “**Agreement**”) is made and entered into as of [_____] 1, 20___], by and between the **FEDERAL HOME LOAN MORTGAGE CORPORATION (“Freddie Mac”)**, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the “**Trustee**”), a national banking association, duly organized and existing under the laws of the United States, in its capacity as Trustee under a Trust Indenture dated as of October 1, 2024 (the “**Indenture**”), between the Fairfax County Redevelopment and Housing Authority (the “**Issuer**”) and the Trustee.

WITNESSETH:

WHEREAS, pursuant to the Indenture, Issuer has issued its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A (the “**Series A Bonds**” or the “**Bonds**”) and its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B (the “**Series B Bonds**”) in the original aggregate principal amount of \$[_____]. The Series B Bonds have been paid in full and only the Series A Bonds remain outstanding and are currently outstanding in the principal amount of \$[_____]; and

WHEREAS, pursuant to a Financing Agreement dated as of October 1, 2024 (the “**Financing Agreement**”) among the Issuer, Trustee and RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “**Borrower**”), the Issuer has used the proceeds of the sale of Series A Bonds and the Series B Bonds to make a loan (defined as the Bond Loan in the Indenture and defined herein as the “**Bond Mortgage Loan**”) to the Borrower to finance the Project described therein; and

WHEREAS, the Borrower has used the proceeds of the Bond Mortgage Loan for the acquisition and construction of the Project; and

WHEREAS, the Borrower’s outstanding repayment obligations as of the date hereof in respect of the Bond Mortgage Loan are evidenced by a Multifamily Note, dated October __, 2024 (defined as the Bond Note in the Indenture and defined herein as the “**Bond Mortgage Note**”) from the Borrower to the Issuer, as such has been assigned to the Trustee; and

WHEREAS, to secure the Borrower’s outstanding obligations under the Bond Mortgage Note as of the date hereof, the Borrower has executed and delivered for the benefit of the Trustee a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date (the “**Bond Mortgage**”) with respect to the Project, which the Issuer has assigned its interests therein to the Trustee pursuant to the Indenture; and

WHEREAS, in order to provide credit enhancement for the payment by the Borrower of the outstanding amounts due under the Bond Mortgage Loan on and following the Closing Date, the Borrower has requested that Freddie Mac enter into this Agreement with the Trustee, which permits the Trustee to make draws in an amount equal to Guaranteed Payments with respect to the Bond Mortgage Loan; and

WHEREAS, to evidence the Borrower's reimbursement obligations to Freddie Mac for draws made hereunder, the Borrower and Freddie Mac are entering into a Reimbursement and Security Agreement contemporaneously with the execution and delivery hereof (the "**Reimbursement Agreement**"); and

WHEREAS, to secure the Borrower's reimbursement obligations to Freddie Mac under the Reimbursement Agreement, the Borrower is executing and delivering for the benefit of Freddie Mac a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing contemporaneously with the execution and delivery hereof (the "**Reimbursement Mortgage**") with respect to the Project; and

WHEREAS, the rights of the Issuer, the Trustee, and Freddie Mac to enforce remedies under the Bond Mortgage and the Reimbursement Mortgage, respectively, are governed by an Intercreditor Agreement dated as of [_____] 1, 20__ among the Issuer, the Trustee, and Freddie Mac; and

WHEREAS, Capital One, National Association, a national banking association (the "**Servicer**"), commencing on the Closing Date, will act as initial servicer for the Bond Mortgage Loan;

NOW, THEREFORE, in consideration of the fees to be paid to Freddie Mac, the material covenants and undertakings set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Freddie Mac and the Trustee do hereby agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.01 *Definitions* All capitalized terms not otherwise specifically defined in this Agreement shall have the same meanings, respectively, as the defined terms contained in the Indenture or the Reimbursement Agreement, as applicable. Unless otherwise expressly provided in this Agreement or unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below for all purposes of this Agreement.

"*Agreement*" means this Credit Enhancement Agreement, as the same may be amended, supplemented or restated from time to time.

"*Available Amount*" means, at any time, an amount equal to the aggregate principal amount of Bonds Outstanding (as of the Closing Date, \$[_____] plus an amount equal to all the accrued interest on the Bonds Outstanding for up to 189 days, computed on the basis of a 360-day year of twelve (12) thirty (30) day months, as reduced by that amount, if any, previously provided by Freddie Mac to the Trustee for payment of the Guaranteed Payment, such reduction to be in an amount equal to 100% of the amount of such Guaranteed Payment. Following any provision of funds under this Agreement, the amount provided (and the amount by which the Available Amount is reduced) shall be reinstated only as provided in Section 3.1(a)(iv).

"*Bond Mortgage*" means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date together with all

riders and addenda thereto, from the Borrower to the Trustee securing payment of the Bond Mortgage Loan, as the same may be amended, modified or supplemented from time to time, which the Issuer has assigned its interest therein to the Trustee pursuant to the Indenture.

“*Bond Mortgage Loan*” means the loan in the original amount of \$[____], of which \$[____] is outstanding on the Closing Date, by the Issuer to the Borrower pursuant to the Financing Agreement, as evidenced by the Bond Mortgage Note and commencing on the Closing Date, secured by the Bond Mortgage. For the avoidance of doubt, the Bond Mortgage Loan and the Bond Loan defined in the Indenture are the same loan.

“*Bond Mortgage Note*” means the Multifamily Note dated [October __, 2024] delivered by the Borrower to the Issuer in the original principal amount of \$[____], of which \$[____] is outstanding on the Closing Date, together with all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Bond Mortgage Loan, as the same may be amended, modified or supplemented from time to time, which promissory note has been assigned by the Issuer to the Trustee pursuant to the Indenture. For the avoidance of doubt, the Bond Mortgage Note and the Bond Note defined in the Indenture are the same note.

“*Bond Mortgage Payment Date*” means (i) each Interest Payment Date (as defined in the Indenture) while the Bond Mortgage Loan is outstanding, commencing [____ 1, 20__] and (ii) any other date on which principal of the Bond Mortgage Note is paid.

“*Bonds*” means, solely, the Series A Bonds.

“*Borrower*” means RGC2 Northwest 4 Owner LLC, a Virginia limited liability company, and any permitted successor to or assignee of its rights and obligations under the Bond Financing Documents.

“*Business Day*” means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York (or other agent acting as Freddie Mac’s fiscal agent) is authorized or obligated by law or executive order to remain closed, (d) a day on which the permanent home office of Freddie Mac is closed, or (e) a day on which (1) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee or the permanent home office of Freddie Mac is located are authorized or obligated by law or executive order to be closed or (2) the New York Stock Exchange is closed.

“*Closing Date*” means the date Freddie Mac executes and delivers this Agreement.

“*Custodian*” means The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely in its capacity as collateral agent for Freddie Mac, and any successor thereto in such capacity.

“*Draw Request*” [means a demand for payment delivered by the Trustee to Freddie Mac pursuant to](#) Section 3.1(a)(i) of this Agreement.

“*Event of Default*” means the occurrence of an event of default as described in Section 6.1.

“*Financing Agreement*” means the Financing Agreement dated as of October 1, 2024 among the Issuer, the Trustee and the Borrower, as may amended or supplemented from time.

“*Freddie Mac*” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“*Freddie Mac Credit Enhancement Payment*” means the amount required to be paid by Freddie Mac to the Trustee with respect to any Guaranteed Payment pursuant to Section 3.1(a)(i).

“*Freddie Mac Reimbursement Amount*” shall have the meaning set forth in the Reimbursement Agreement.

“*Freddie Mac Trustee E-mail Account*” means the Freddie Mac established e-mail account for receipt of notices, inquires and other communications from bond trustees. The e-mail address for the Freddie Mac Trustee E-mail Account is MFLA_Trustees@freddiemac.com or such other e-mail address as Freddie Mac may designate from time to time.

“*Freddie Mac Trustee Hotline*” means the Freddie Mac established telephone hotline for bond trustees. The hotline number is (703) 714-4177 or such other phone number as Freddie Mac may designate from time to time.

“*Guaranteed Payment*” is defined within the definition of Required Bond Mortgage Payment herein.

“*Guide*” means the Freddie Mac Multifamily Seller/Service Guide, as the same may be amended, modified or supplemented from time to time.

“*Indenture*” means that certain Trust Indenture dated as of October 1, 2024 between the Issuer and the Trustee pursuant to which the Bonds are issued and secured, as the same may be amended, supplemented or restated from time to time.

“*Interest Component*” shall have the meaning provided in the definition of Required Bond Mortgage Payment and Guaranteed Payment, as applicable.

“*Issuer*” means the Fairfax County Redevelopment and Housing Authority, and its successors.

“*Notice*” means any notice delivered by the Trustee to Freddie Mac pursuant to Section 3.1(a)(i), in the form set forth in *Exhibit A* hereto.

“*Pledge Agreement*” means the Pledge, Security and Custody Agreement dated as of [_____] 1, 20__], among the Borrower, Freddie Mac and the Custodian, as the same may be amended, supplemented or restated from time to time.

“*Principal Component*” shall have the meaning provided in the definition of Required Bond Mortgage Payment and Guaranteed Payment, as applicable.

“*Purchase Price*” means, with respect to any Bond purchased in lieu of redemption pursuant to Section 3.06 of the Indenture, the principal amount of each Bond plus any redemption premium due thereon plus interest accrued to the Settlement Date. No portion of the Purchase Price consisting of any redemption premium shall be payable from funds drawn under this Agreement.

“*Purchased Bond*” means any Bond purchased pursuant to Section 3.06 of the Indenture during the period from and including the date of its purchase in lieu of redemption by the Trustee on behalf of the Borrower with amounts provided by Freddie Mac under this Agreement.

“*Reimbursement Agreement*” means the Reimbursement and Security Agreement dated as of [_____] 1, 20____], between the Borrower and Freddie Mac, as the same may be amended, supplemented or restated from time to time.

“*Reimbursement Mortgage*” means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date from the Borrower to Freddie Mac, together with all riders and addenda thereto, granting a second priority mortgage and security interest in the Project to Freddie Mac to secure the obligations of the Borrower under the Reimbursement Agreement and all documents related thereto, as the same may be amended, supplemented or restated from time to time.

“*Required Bond Mortgage Payment*” and “*Guaranteed Payment*” mean the sum of the applicable Interest Component and the applicable Principal Component, as follows:

	Interest Component	Principal Component
Required Bond Mortgage Payment	(i) The regularly scheduled payment of interest due on the unpaid principal balance of the Bond Mortgage Loan, adjusted solely as provided in Section 3.4; (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, all accrued and unpaid interest on the amount prepaid; and (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, all accrued and unpaid interest thereon.	(i) The regularly scheduled payment of principal, on the Bond Mortgage Note, if any; (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, the principal amount of the Bond Mortgage Note being prepaid; and (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, the unpaid principal balance of the Bond Mortgage Note.

Guaranteed Payment	The Interest Component of the corresponding Required Bond Mortgage Payment.	(i) The regularly scheduled payment of principal, on the Bond Mortgage Note, if any; (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, the principal amount of the Bond Mortgage Note being prepaid; and (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, the unpaid principal balance of the Bond Mortgage Note.
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For the purpose of this Agreement only, regularly scheduled monthly deposits to the Credit Facility Principal Reimbursement Account of the Credit Facility Reimbursement Fund, as provided in the Reimbursement Agreement, or other escrows required by the Bond Mortgage or the Reimbursement Mortgage are not included in the Required Bond Mortgage Payment or Guaranteed Payment.

“Series A Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A issued in the principal amount of \$ _____, of which \$ _____ is Outstanding as of the Closing Date.

“Servicer” means the eligible servicing institution designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Mortgage Loan), or its successor, as servicer of the Bond Mortgage Loan. Initially, the Servicer shall be Capital One, National Association.

“State” means the Commonwealth of Virginia.

“Termination Date” means the first to occur of (a) the date the Bonds shall have been paid in full, (b) the date all of the Bonds shall have been redeemed or purchased in lieu of redemption in accordance with the provisions of Section 3.2 of this Agreement, (c) **[_____ 6, 20__ -THE SIXTH DAY OF THE MONTH FOLLOWING MATURITY, E.G. IF THE BONDS MATURE ON JANUARY 1, 2044, USE JANUARY 6, 2044]**, (d) the date on which the Trustee, after having received sufficient funds to redeem all of the Bonds Outstanding in accordance with the terms of the Indenture, shall have released the lien of the Indenture and shall have paid to Freddie Mac all amounts required to be paid under the Indenture, the Financing Agreement, the Reimbursement Agreement, this Agreement and any other Bond Financing Document, and (e) the day immediately following the effective date of any Alternate Credit Facility.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., and its successors and any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

“Wire Request System” means the Freddie Mac web-based application known as “MultiSuite for Bonds - Wire Request System,” which is designed to facilitate the payment of

Draw Requests. The Wire Request System is to be used by the Trustee to conduct electronic transactions with Freddie Mac and is accessible only via Freddie Mac’s website at the following URL: <https://mf.freddiemac.com/lenders/reporting>. For instructions on how to register and use the Wire Request System, please call the Freddie Mac Trustee Hotline.

Section 1.02 Interpretation. In this Agreement, unless the context otherwise requires, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include partnerships, limited liability companies, corporations and associations, including public bodies, as well as natural persons. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder”, and any similar terms, as used in this Agreement, refer to this Agreement. Any reference in this Agreement to an “Exhibit”, a “Section”, a “Subsection”, a “Paragraph” or a “subparagraph” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Agreement, a section of this Agreement, a subsection of the section of this Agreement in which the reference appears, a paragraph of the subsection within this Agreement in which the reference appears, or a subparagraph of the paragraph within which the reference appears. All Exhibits attached to or referred to in this Agreement are incorporated by reference into this Agreement.

ARTICLE II REPRESENTATIONS

Section 2.01 Representations by Freddie Mac. Freddie Mac represents and warrants that:

(a) It is a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America.

(b) This Agreement is a valid and binding obligation of Freddie Mac, the making and performance of which by Freddie Mac have been duly authorized by all necessary corporate and other action and neither the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Agreement by Freddie Mac conflicts with, results in a breach of, or is a default under, in any material respect, any of the terms, conditions or provisions of any legal restriction or any instrument to which Freddie Mac is now a party or by which Freddie Mac is bound, or constitutes a violation of any law regulating the affairs of Freddie Mac or internal governing documents of Freddie Mac, and will not result in the creation of any prohibited encumbrance upon any of its assets.

Section 2.02 Representations by Trustee. The Trustee represents, warrants and covenants that:

(a) It is a national banking association, duly organized and existing under the laws of the United States, has the power (including trust powers) and authority to accept and execute trusts, has duly accepted its appointment as Trustee under the Indenture, and all corporate action required to authorize acceptance of such appointment as Trustee under the Indenture, the execution, delivery and performance of the Indenture and this Agreement, and consummation of the transactions contemplated thereby and hereby, have been duly taken.

(b) It acknowledges that Freddie Mac has certain rights with respect to the Bond Mortgage Loan and the Bond Mortgage pursuant to the Intercreditor Agreement.

(c) It has furnished wire instructions, which are correctly set forth in Section 5.5, to Freddie Mac for Freddie Mac to make payments under this Agreement by wire transfer and will advise Freddie Mac, in writing, of any change to such instructions utilizing the form attached hereto as **Exhibit B** not less than five (5) Business Days prior to the effective date thereof.

ARTICLE III CREDIT ENHANCEMENT

Section 3.01 *Credit Enhancement Payments.*

(a) (i) On each Bond Mortgage Payment Date, a portion of the Available Amount in an amount not to exceed the aggregate principal amount of the Bonds Outstanding (as of the Closing Date, \$ _____) is available for the payment of the Principal Component of the Guaranteed Payment and a portion of the Available Amount in an amount not to exceed the accrued interest on the Bonds Outstanding for up to 189 days (calculated as provided in the definition of Available Amount), is available for the payment of the Interest Component of the Guaranteed Payment, subject to reduction and reinstatement as provided in Section 3.1(a)(iv). Funds shall be made available to the Trustee for such payment against delivery by the Trustee of a demand for payment (each a “**Draw Request**”). Until Freddie Mac provides the Trustee with written or electronic notice to the contrary, the Trustee shall deliver Draw Requests to Freddie Mac using the Wire Request System. If, for any reason, the Trustee is unable to deliver a Draw Request electronically for processing a payment using the Wire Request System, the Trustee shall notify Freddie Mac immediately via the Freddie Mac Trustee Hotline and Freddie Mac Trustee E-mail Account and deliver that Draw Request by facsimile or electronic transmission, immediately confirmed by overnight delivery service, of a Notice, in the form set forth in **Exhibit A** hereto, to Freddie Mac at (571) 382-4798, if by facsimile transmission, or the Freddie Mac Trustee E-mail Account, if by electronic transmission (or to such other facsimile number or e-mail address or using such other means of electronic or telephonic communication as Freddie Mac shall designate in writing); provided that Freddie Mac may waive in writing the requirement of confirmation by overnight delivery service. If a Draw Request is made in strict conformity with the terms and conditions hereof, payment shall be made to the Trustee in immediately available funds (A) if such Draw Request is received by Freddie Mac by 12:00 Noon (Washington, D.C. time) on any Business Day, not later than 2:00 p.m. (Washington, D.C. time) on the next Business Day, and (B) if such Draw Request is so received after 12:00 Noon (Washington, D.C. time) on any Business Day, not later than 2:00 p.m. (Washington, D. C. time) on the second succeeding Business Day.

(ii) Notwithstanding any other provision of this Agreement, Freddie Mac shall have no obligation under any circumstance to make a Freddie Mac Credit Enhancement Payment or any other payment under this Agreement with respect to any prepayment premium or other prepayment charge payable on the Bond Mortgage Loan or due under the Bond Mortgage Note (or which may in any way relate to the Bonds, including any redemption premium on the Bonds), any reserve funds that are funded from Bond proceeds, any negative arbitrage or investment losses with respect to reserve amounts held by the Trustee under the Indenture, and Freddie Mac’s obligation with respect to the payment of interest under this Section is limited to the Interest Component of the related Guaranteed Payment. In no event shall Freddie Mac be obligated to make a payment under Section 3.1(a) in excess of the Guaranteed Payment. The provisions of this Paragraph (a)(ii) shall in no way affect the obligation of Freddie Mac to make payment of principal to the extent elsewhere provided in this Section.

(iii) Intentionally Omitted.

(iv) Upon a payment under this Agreement, the Available Amount and the amount thereof available (A) for the payment of the Principal Component of the Guaranteed Payment, shall be automatically reduced by an amount equal to the amount of such payment for such purpose and (B) for the payment of the Interest Component of the Guaranteed Payment, shall be automatically reduced by an amount equal to the amount of such payment for such purpose. The obligation of Freddie Mac to pay the Principal Component of the Guaranteed Payment shall not be reinstated. The obligation of Freddie Mac to pay the Interest Component of the Guaranteed Payment shall be reinstated, up to the maximum amount set forth in Section 3.1(a)(i) for such purpose, automatically on the day following the provision of funds by Freddie Mac for payment of such Interest Component.

(b) Intentionally Omitted.

(c) Payments required to be made pursuant to this Agreement shall be made from any source legally available to Freddie Mac, other than funds of the Borrower or the Issuer.

(d) Intentionally Omitted.

(e) This Agreement shall become effective upon its execution and delivery by Freddie Mac and the Trustee and shall cease to be in effect on the Termination Date.

The Trustee hereby expressly acknowledges and agrees that Freddie Mac shall have no liability to the Trustee or to the Bondholders for any failure to make full and timely payment of principal or interest on the Bonds resulting from a deficiency of moneys therefor under the Indenture if the Trustee shall not have delivered, in the manner and at the time required by this Agreement, a Notice under Section 3.1 hereof or any other notice required in this Agreement as a condition precedent to payment thereunder by Freddie Mac.

Section 3.02 *Right of Freddie Mac to Cause Redemption, Purchase in Lieu of Redemption or Acceleration of Bonds.*

(a) Subject to the provisions of the Indenture, Freddie Mac shall have the right to direct the Trustee to provide notice of redemption or purchase in lieu of redemption of the Bonds to the extent and upon the terms described in the Indenture, provided that Freddie Mac agrees to honor a Notice given in accordance with this Agreement to pay to the Trustee the full redemption price or Purchase Price of the Bonds upon the redemption or purchase in lieu of redemption thereof.

(b) If Freddie Mac pays the Purchase Price of the Bonds in accordance with a purchase in lieu of redemption thereof pursuant to Section 3.06 of the Indenture, subsequent to its date of purchase Freddie Mac or an entity designated by Freddie Mac in accordance with Section 3.06 of the Indenture, as the case may be, may on any day elect to present all or a portion of such Bonds to the Trustee for cancellation pursuant to Section 3.07 of the Indenture.

(c) Freddie Mac shall have the right to cause an acceleration of the Bonds pursuant to Section 6.02 of the Indenture provided the conditions set forth therein have been satisfied. In such event, Freddie Mac shall pay to the Trustee the entire principal amount of the Bonds, together with accrued interest thereon to the date of acceleration of the Bonds.

(d) Upon the payment by Freddie Mac of the redemption price or Purchase Price of the Bonds as provided in Sections 3.2(a), (b) or (c) all payment obligations of Freddie Mac under Section 3.1 with

respect to such Bonds to the extent of such payment shall thereupon terminate, other than payment obligations becoming due and owing prior to the date of such payment.

Section 3.03 *Nature of the Trustee's Rights.* The right of the Trustee to receive payments from Freddie Mac pursuant to Sections 3.1 and 3.2 shall not be diminished by any rights of set-off, recoupment or counterclaim Freddie Mac might otherwise have against the Issuer, the Trustee, the Borrower or any other person. Notwithstanding the foregoing, this Section 3.3 shall not be construed: to release the Trustee or the Issuer from any of their respective obligations hereunder or under the Indenture; except as provided in this Section, to prevent or restrict Freddie Mac from asserting any rights which it may have against the Issuer, the Trustee or the Borrower under this Agreement, the Indenture, the Intercreditor Agreement, the Bond Mortgage Loan or any provisions of law; or to prevent or restrict Freddie Mac, at its own cost and expense, from prosecuting or defending any action or proceeding by or against the Issuer, the Trustee or the Borrower or taking any other actions to protect or secure its rights; provided, however that any recovery against the Issuer is limited to the amounts held under the Indenture.

Section 3.04 *Adjustments to Required Bond Mortgage Payments and Guaranteed Payments.* In connection with any partial principal prepayments of amounts owing under the Bond Mortgage Note, the Interest Component of the Required Bond Mortgage Payment shall be adjusted only upon the redemption of Bonds in the amount of such principal prepayment.

ARTICLE IV FREDDIE MAC REIMBURSEMENTS

Section 4.01 *Reimbursements.*

(a) For each Freddie Mac Credit Enhancement Payment made by Freddie Mac, Freddie Mac shall be entitled to receive reimbursement under the Reimbursement Agreement in the amount of the Freddie Mac Reimbursement Amount. If the Trustee shall have received a Freddie Mac Credit Enhancement Payment from Freddie Mac with respect to any particular Guaranteed Payment and the Trustee shall have received or shall thereafter receive from the Borrower all or any portion of such Guaranteed Payment or any other amount in lieu of such Guaranteed Payment, the Trustee shall promptly reimburse to Freddie Mac, from any such amounts received from the Borrower, the Freddie Mac Credit Enhancement Payment paid by Freddie Mac as provided in the Indenture.

(b) The Trustee shall maintain records of all Freddie Mac Credit Enhancement Payments received from Freddie Mac hereunder. The Trustee shall, upon receipt of a written request of Freddie Mac, cooperate with Freddie Mac and the Servicer in connection with the reconciliation of the Trustee's records maintained pursuant to this Subsection and any similar records maintained by Freddie Mac or the Servicer.

ARTICLE V COVENANTS

Section 5.01 *Annual Reports.* Freddie Mac registered its common stock with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), effective July 18, 2008. As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC. Any document that Freddie Mac files with the SEC may be read and copied at the SEC's

public reference room at 100 F Street, N.E., Washington, D.C. 20549. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>.

Section 5.02 *Notice of Certain Events.* The Trustee shall promptly give notice by facsimile or electronic transmission to Freddie Mac at (571) 382-4798, if by facsimile transmission, or the Freddie Mac Trustee E-mail Account, if by electronic transmission, of (i) the occurrence of any Event of Default under the Indenture or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default thereunder of which the Trustee has actual knowledge, specifying the action taken or proposed to be taken with respect to such event, and (ii) each proposed redemption of Bonds and the amount thereof, in writing, not later than 20 days (or as soon as practicable after receiving notice or other information that such a redemption is expected to occur, if such proposed redemption is to be effected with less than 20 days' prior notice in accordance with the Indenture) prior to such redemption, other than scheduled mandatory sinking fund redemptions.

Section 5.03 *Amendment of Documents.* So long as no Event of Default hereunder shall have occurred and be continuing, the Trustee will not amend or modify, or consent to any amendment or modification of any Bond Financing Document without the prior written consent of Freddie Mac.

Section 5.04 *Replacement of Servicer.* The Trustee acknowledges that, under certain circumstances set forth in the Guide, Freddie Mac shall have the right to terminate the Servicer's servicing of the Bond Mortgage Loan and to transfer the servicing of the Bond Mortgage Loan to a successor servicer in accordance with the Guide. Freddie Mac will promptly notify the Trustee upon termination of the Servicer and the appointment of a successor servicer.

Section 5.05 *Wiring Information.* All payments under this Agreement may be made by means of wire transfer of funds to the Trustee to the following account or such other account as the Trustee may specify in writing from time to time:

Bank: [To be completed at Conversion]
 ABA#:
 BNF:
 Acct#:
 Ref:

ARTICLE VI DEFAULT AND REMEDIES

Section 6.01 *Events of Default.* Any one or more of the following acts or occurrences shall constitute an Event of Default hereunder:

- (a) Failure by Freddie Mac to pay any amounts due under Section 3.1 or 3.2 when due;
- or
- (b) Failure by Freddie Mac to perform or observe any of its covenants, agreements or obligations hereunder, except a failure described in (a) above, if the same shall remain uncured for

a period of 45 days after written notice of such failure shall have been given by the Trustee to Freddie Mac; provided, however, that if such default is curable but requires acts to be done or conditions to be remedied which, by their nature, cannot be done or remedied within such 45-day period, no Event of Default shall be deemed to have occurred if Freddie Mac shall commence such acts or remedies within such 45-day period and thereafter, in the opinion of the Trustee, diligently pursue the same to completion; or

(c) any governmental authority shall require Freddie Mac to suspend its operations for more than three (3) Business Days (unless such requirement is applicable to corporate instrumentalities or financial institutions generally in the United States), or require the sale or transfer of all or substantially all of the assets of Freddie Mac.

Section 6.02 *Remedies of Trustee.* Upon the occurrence and continuance of any Event of Default by Freddie Mac hereunder, unless such Event of Default has been cured, the Trustee may take any one or more of the following steps, at its option:

(1) by action at law or in equity, require Freddie Mac to perform its covenants and obligations hereunder, or enjoin any acts which may be unlawful or in violation of the rights of the Trustee; and

(2) take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of Freddie Mac hereunder, or to enforce any other obligations, covenant or agreement of Freddie Mac hereunder.

The above provisions are subject to the condition that if, after any Event of Default hereunder, all amounts which would then be payable hereunder by Freddie Mac if such Event of Default had not occurred and were not continuing, shall have been paid by or on behalf of Freddie Mac, and Freddie Mac shall have also performed all other obligations in respect of which it is then in default hereunder to the satisfaction of the Trustee, then such Event of Default may be waived and annulled, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any consequent right or remedy.

Section 6.03 *Remedies Not Exclusive.* No remedy conferred in this Agreement or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 6.04 *Restoration of Rights and Remedies.* If the Trustee shall have instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the party instituting such proceeding, then and in every such case Freddie Mac, and the Trustee shall, subject to any determination in such proceeding, be restored to their former positions hereunder and thereafter all rights and remedies of the Trustee shall continue as though no such proceeding had been instituted.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

Section 7.01 *Interest of Bondholders.* The payments to be made by Freddie Mac hereunder are to be pledged by the Trustee to secure payment of the principal or redemption price of and interest on the Bonds (including the Purchase Price in connection with any purchase in lieu of redemption pursuant to Section 3.06 of the Indenture).

Section 7.02 *Amendment.* This Agreement shall be amended only by an instrument in writing executed on behalf of the parties by their duly authorized representatives.

Section 7.03 *No Individual Liability.* No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member of the Board of Directors of Freddie Mac or any officer, agent, employee or representative of Freddie Mac, or the Trustee, in his or her individual capacity and none of such persons shall be subject to any personal liability or accountability by reason of the execution of this Agreement, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise.

Section 7.04 *Notices.* All notices, certificates and other written communications shall be sufficiently given and shall be deemed to be given (unless another form of notice shall be specifically set forth in this Agreement) on the Business Day following the date on which the same shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt for overnight delivery service) with arrangements made for payment of all charges for next business day delivery, addressed as follows (provided that any of such addresses may be changed at any time upon written notice of such change sent, as provided in this Section, to the other party):

To Freddie Mac: Federal Home Loan Mortgage Corporation
 8100 Jones Branch Drive, MS B2E
 McLean, Virginia 22102
 Attention: Multifamily Operations – Loan Accounting
 Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel – Multifamily
 Legal Division
E-Mail: guy_nelson@freddiemac.com
Telephone: (703) 903-2000

with a copy to:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
MS B2E
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
E-mail: mfla_trustees@freddiemac.com
Trustee Hotline: (703) 714-4177

To the Trustee: The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Corporate Trust
Telephone: (412) 234-3151
Facsimile: (412) 234-8377

Notwithstanding anything herein to the contrary, copies of account statements shall be sent to the attention of Freddie Mac's Director of Multifamily Loan Accounting at the above address.

Section 7.05 *Governing Law.* This Agreement shall be construed, and the rights and obligations of Freddie Mac and the Trustee hereunder determined in accordance with federal statutory or common law ("**federal law**"). Insofar as there may be no applicable rule or precedent under federal law and insofar as to do so would not frustrate the purposes of any provision of this agreement, the local law of the Commonwealth of Virginia shall be deemed reflective of federal law. The parties agree that any legal actions between Freddie Mac and the Trustee regarding each party hereunder shall be originated in the United States District Court in and for the Eastern District of Virginia, and the parties hereby consent to the jurisdiction and venue of said Court in connection with any action or proceeding initiated concerning this Agreement.

Section 7.06 *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 7.07 *Multiple Counterparts.* This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 7.08 *Successor Trustee.* This Agreement and all of the rights and obligations of the Trustee in this Agreement shall be automatically transferred and assigned to a successor Trustee appointed or acting pursuant to the Indenture.

Section 7.09 *Assignment.* Except as provided in Section 7.8 hereof, this Agreement and the rights of the Trustee created hereby may not be assigned or transferred by the Trustee.

Section 7.10 *Acceptance.* The Trustee accepts the duties imposed upon it by this Agreement and agrees to perform those duties but only upon and subject to the following express terms and conditions:

(a) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee;

(b) as to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely in good faith upon a certificate purportedly signed by an authorized signatory of Freddie Mac as sufficient evidence of the facts contained in such certificate;

(c) the permissive right of the Trustee to do things enumerated in this Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct;

(d) none of the provisions contained in this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement except for any liability of the Trustee arising from its own negligence or willful misconduct;

(e) the Trustee is entering into this Agreement solely in its capacity as Trustee under the Indenture and not in its individual or corporate capacity; and

(f) all of the provisions of the Indenture related to the duties, obligations, standard of care, protections and immunities from liability afforded the Trustee under the Indenture shall apply to the Trustee under this Agreement.

[Signatures follow]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Enhancement Agreement to be duly executed by their duly authorized officers or representatives.

FEDERAL HOME LOAN MORTGAGE CORPORATION

By: _____
Name: _____
Title: _____

[FREDDIE MAC SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – NW4 CREDIT ENHANCEMENT AGREEMENT]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By: _____
Name: _____
Title: _____

[TRUSTEE'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – NW4 CREDIT
ENHANCEMENT AGREEMENT]

EXHIBIT A

FORM OF NOTICE UNDER SECTION 3.1(a)(i)

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B2E
McLean, VA 22102
Attention: Multifamily Operations - Loan Accounting
Facsimile: (571) 382- 4798

Project Name: Residences at Government Center 2 – NW4

Related Bonds: \$[] Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds (Residences at Government Center 2 –
NW4) Series 2024A

CUSIP Number: [CUSIP NUMBER OF RELATED BONDS]

Loan No.: 511500572 Date of Notice: _____

CERTIFICATE FOR THE PAYMENT OF GUARANTEED PAYMENT

**under Section 3.1(a)(i) of Credit Enhancement Agreement between
Freddie Mac and the undersigned, as Trustee, dated as of [] 1,
20__] relating to the Bond Mortgage Loan securing the Bonds
referenced above**

Bond Mortgage Payment Date: _____, ____
Guaranteed Payment: \$ _____

NOTICE is hereby given that on the Bond Mortgage Payment Date set forth above, a Freddie Mac Credit Enhancement Payment in the amount equal to the Guaranteed Payment, of which amount \$ _____ represents the Interest Component and \$ _____ represents the Principal Component, is due. The amount of the Guaranteed Payment has been determined pursuant to the above-referenced Credit Enhancement Agreement.

REQUEST is hereby made for payment by Freddie Mac of such Freddie Mac Credit Enhancement Payment in accordance with the Credit Enhancement Agreement.

The Bank of New York Mellon Trust Company, N.A., as Trustee

Authorized Signature: _____
Name: _____
Title: _____

EXHIBIT B

FREDDIE MAC MULTIFAMILY

BOND WIRE INSTRUCTION CHANGE REQUEST FORM

<i>Freddie Mac Internal Use:</i>		
Loan Accounting Approval Date	MF Operations Approval	Date

Bond Trustee – Please complete all required (*) fields. This wire instruction change applies only to the Freddie Mac loan number(s) referenced below.

A. Trustee’s Prior Wire Instructions:

Bond Property Name (Beneficiary): _____

***Freddie Mac Loan Number(s):** _____

***Bank Name:** _____

***Bank City:** _____

***Bank State:** _____

***ABA Number:** _____

***Account Number:** _____

Further Credit Instructions:

Name of Final Credit Party: _____

Final Credit Party Account Number: _____

B. Trustee's New Wire Instructions:

Bond Property Name: _____

***Freddie Mac Loan Number(s):** _____

***Bank Name:** _____

***Bank City:** _____

***Bank State:** _____

***ABA Number:** _____

***Account Number:** _____

Further Credit Instructions:

Name of Final Credit Party: _____

Final Credit Party Account Number: _____

Effective Date of Notice: _____, *which date is at least five (5) Business Days after the date of this notice.*

As of the Effective Date set forth above, all wires of funds to the Trustee for the above-referenced Freddie Mac loan number(s) pursuant to the Wire Request System shall be transmitted using the new wire instructions set forth in this notice.

[EXHIBIT B CONTINUES ON FOLLOWING PAGE]

C. Trustee Authorized Signature:

Each of the undersigned hereby represents and warrants to Freddie Mac that he/she is a duly appointed officer of the Trustee who is duly authorized to disseminate the Trustee's wire instructions, all of which is evidenced by either (i) resolutions (in full force and effect on the date of the execution of this form) of the board of directors of the Trustee, a true, complete and correct copy of which is attached as Schedule 1 hereto, or (ii) an Incumbency Certificate (in full force and effect on the date of the execution of this form) in the form attached hereto as Schedule 2, which has been signed and sealed by the corporate Secretary or Assistant Secretary of the Trustee, a true, complete and correct copy of which is attached hereto.

Trustee Name: _____

Date: _____

Name	Position/Title	Signature
Name	Position/Title	Signature
Address		City, State and Zip Code
Address		City, State and Zip Code
Telephone	Fax	E-mail
Telephone	Fax	E-mail

[Insert other Authorized Persons, as needed.]

NOTE: PROVIDE A NOTARY PANEL FOR EACH AUTHORIZED PERSON INDICATED ABOVE.

STATE OF _____)

: ss

CITY/COUNTY OF _____)

On the ____ day of _____, 20____, before me, the undersigned notary public, personally appeared _____, who is personally known to me, or who proved to me on the basis of satisfactory evidence that he/she is the individual whose name is subscribed to the within instrument, and he/she acknowledged to me that he/she executed the same in his/her capacity as the _____ of _____.

[Seal]

Notary Public

STATE OF _____)

: ss

CITY/COUNTY OF _____)

On the ____ day of _____, 20____, before me, the undersigned notary public, personally appeared _____, who is personally known to me, or who proved to me on the basis of satisfactory evidence that he/she is the individual whose name is subscribed to the within instrument, and he/she acknowledged to me that he/she executed the same in his/her capacity as the _____ of _____.

[Seal]

Notary Public

* This form is to be delivered to: Freddie Mac Multifamily, Loan Accounting Manager, 8100 Jones Branch Drive, Mail Stop B4Q, McLean, VA 22102 via overnight mail service.

SCHEDULE 1

to

Bond Wire Instruction Change Request Form

[INSTRUCTIONS: CORPORATE SECRETARY, PLEASE REMOVE THIS PAGE AND ATTACH AS “SCHEDULE 1” THE BOARD RESOLUTION REFERENCED ABOVE USING THE EXAMPLE BELOW.]

EXAMPLE OF CORPORATE RESOLUTION:

**BOARD OF DIRECTORS
OF
[INSERT CORPORATION NAME]**

DATE: _____

WHEREAS, the Board of Directors (the “**Board**”) of **[INSERT CORPORATION NAME]** (the “**Corporation**”) is adopting the following Resolution to amend, restate, assign or reassign general delegations of authority regarding its management with respect to subject matters not otherwise covered by specific Resolutions of the Board.

NOW, THEREFORE, BE IT RESOLVED that the individuals listed below are fully authorized and empowered to establish accounts in any bank or financial or depository institution in the name and on behalf, of **[INSERT CORPORATION’S NAME]**; to make deposits in, charge, transfer funds to, or withdraw funds from such accounts by checks, drafts, wire transfers, or other instruments or orders customarily used for the payment of accounts or the transfer of funds, including the proceeds of mortgages; and to make, execute, and deliver, wire transfer instructions or Automated Clearing House (ACH) instructions (if applicable) in writing or by electronic means, including any and all written instruments necessary or proper to effectuate the authority hereby conferred; and that any such actions heretofore taken by any of the following persons on behalf of **[INSERT CORPORATION’S NAME]** are hereby ratified, approved, and confirmed.

[The Resolution should set forth either: (i) designated individuals by their names and their titles or (ii) categories of authorized employees (for example: Senior Vice Presidents, Vice Presidents, Treasurers, etc.)]

By the Board of Directors

[Typed Name], Secretary/Assistant Secretary

[ATTACH CORPORATE SEAL]

SCHEDULE 2

to

Bond Wire Instruction Change Request Form

INCUMBENCY CERTIFICATE

The undersigned hereby certifies to the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) that I am the [Secretary / Assistant Secretary] of The Bank of New York Mellon Trust Company, N.A. (the “**Trustee**”), a national banking association, duly organized and existing under the laws of the United States of America, and that, as such, I am duly authorized to execute this Incumbency Certificate on behalf of the Trustee; and I further certify that each of the following persons, as of the date hereof, holds the office of the Trustee set opposite his or her name below, and that each such person is duly authorized to disseminate the Trustee’s wire instructions.

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

WITNESS the official seal of the Trustee and the signature of the undersigned this ____ day of _____, 20__.

[ATTACH THE CORPORATE SEAL]

Print Name: _____

Title: [Secretary / Assistant Secretary]

APPENDIX H
FORM OF OPINION OF BOND COUNSEL

[to be provided]

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$13,220,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A

\$6,130,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B

This Continuing Disclosure Agreement, dated as of October 1, 2024 (this “Continuing Disclosure Agreement”), is executed and delivered by RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the “Dissemination Agent”), for the above-captioned bonds (together, the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of October 1, 2024 (the “Indenture”), between the Fairfax County Redevelopment and Housing Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Pursuant to the Indenture and the Financing Agreement, dated as of October 1, 2024, by and among the Issuer, the Borrower and the Trustee (the “Financing Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“*Audited Financial Statements*” means, in the case of the Borrower, the annual audited financial statements prepared in accordance with generally accepted accounting principles, if any.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the administrator of the Project or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

* Preliminary; subject to change.

“*Dissemination Agent*” shall mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, and its successors and assigns.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower’s fiscal year, commencing with the fiscal year ending on December 31, 2025, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower’s Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower’s Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items described in Exhibit A may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an “Obligated Person” (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format (“PDF”) or other acceptable electronic form.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the

termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties; and

(xvii) The Project's being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project's being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit D hereto or such other form as may be approved by the Dissemination Agent. Notice of the Project being placed in service from the Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C hereto or such other form as may be approved by the Dissemination Agent.

For purposes of clauses (xv) and (xvi) of this Section 5(a), "financial obligation" is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the "Adopting Release").

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by facsimile transmission confirmed by telephone or by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above without the Dissemination Agent's having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xvii) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsection (d) below.

(d) If the Borrower has determined that a Listed Event is required to be disclosed, then the Borrower shall prepare a written notice describing the Listed Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under “Provision of Annual Reports,” “Contents of Annual Reports” or paragraph (a) under “Reporting of Listed Events,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(e) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower, the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Financing Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

Section 9. Reserved.

Section 10. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section 11 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Continuing Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 12. Notices. All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

If to the Borrower:

RGC2 Northwest 4 Owner LLC
c/o Lincoln Avenue Capital
401 Wilshire Boulevard, 11th Floor

Santa Monica, CA 90401
Attention: Hanna Jamar and Russell Condas
Email: hanna@lincolnavcap.com and rcondas@lincolnavcap.com

If to the Dissemination Agent:

The Bank of New York Mellon Trust Company, N.A.
BNY Mellon Corporate Trust-PNFP
AIM: 154-1270
500 Ross Street, 12th Floor
Pittsburgh, PA 15262
Attention: Matt Maselko
Email: Matthew.Maselko@bny.com

Section 13. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the Commonwealth of Virginia.

Section 14. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, tender, conversion or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

Section 15. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

RGC2 NORTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Northwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

[Counterpart Signature Page to Continuing Disclosure Agreement]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

\$13,220,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A
CUSIP: _____

[\$6,130,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B
CUSIP: _____]

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Residences at Government Center 2 – NW4
Address:	12040 Government Center Parkway, Fairfax, VA 22035
Number of Units:	74

INFORMATION ON THE BONDS

Original principal amount of Bonds:	
Outstanding principal amount of Bonds:	

OPERATING HISTORY OF THE PROJECT

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, 20__, as derived from the Borrower’s audited financial statements [or unaudited financial statements].

Financial Results for Fiscal Year Ending December 31,	
Revenues	
Operating Expenses ¹	
Net Operating Income	
Debt Service on the Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

¹ Excludes depreciation and other non-cash expenses.

* Preliminary; subject to change.

Occupancy Results for Fiscal Year Ending December 31,	
Physical Occupancy	%
Economic Occupancy ¹	%

¹ The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

AUDITED FINANCIAL STATEMENTS

_____ Attached

_____ Audited financial statements of the Borrower for the period ending December 31, 20__ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

_____ No audited financial statements of the Borrower were prepared for the period ending December 31, 20__; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements.

EXHIBIT B

**NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: Fairfax County Redevelopment and Housing Authority

Name of Bond Issue: Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024A [and Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024B]

Name of Borrower: RGC2 Northwest 4 Owner LLC

CUSIP: _____ (Series 2024A)
[_____ (Series 2024B)]

Date of Issuance: October __, 2024

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the “Borrower”) has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by _____.

DATED: _____

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
PROJECT PLACED IN SERVICE**

Name of Issuer: Fairfax County Redevelopment and Housing Authority
Name of Bond Issue: Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024A and Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024B
Name of Borrower: RGC2 Northwest 4 Owner LLC
Name of Project: Residences at Government Center 2 – NW4
Address of Project: 12040 Government Center Parkway, Fairfax, VA 22035
Date of Issuance: October __, 2024

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of October 1, 2024, between the above-referenced borrower (the “Borrower”) and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent, that the Borrower has certified that the above-referenced project (the “Project”) is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$13,220,000*
**Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A**

\$6,130,000*
**Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B**

The undersigned hereby provides notice to The Bank of New York Mellon Trust Company, N.A., a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as Residences at Government Center 2 – NW4 (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of October 1, 2024, between Fairfax County Redevelopment and Housing Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee (the “Trustee”).

RGC2 NORTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Northwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

* Preliminary; subject to change.

BOND PURCHASE AGREEMENT

[\$13,220,000]
**Fairfax County Redevelopment and Housing
Authority**
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A

[\$6,130,000]
**Fairfax County Redevelopment and Housing
Authority**
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B

October __, 2024

Fairfax County Redevelopment
and Housing Authority
3700 Pender Drive, Suite 300
Fairfax, VA 22030

RGC2 Northwest 4 Owner LLC
c/o Lincoln Avenue Capital
401 Wilshire Boulevard, 11th Floor
Santa Monica, CA 90401

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, on its own behalf and not as your fiduciary (the “Underwriter”), and in its capacity as purchaser of the Bonds (as hereinafter defined) enters into the following agreement (the “Bond Purchase Agreement”) with the Fairfax County Redevelopment and Housing Authority (the “Issuer”), and RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), which, upon acceptance of this offer, will be binding upon the Issuer, the Borrower and the Underwriter. This offer is made subject to the Issuer’s and the Borrower’s acceptance on or before 2:00 p.m., Eastern Daylight time, today; if this offer is not timely accepted, it will thereafter be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer and the Borrower at any time prior to the acceptance hereof by the Issuer and the Borrower. If and when accepted by the Issuer and the Borrower in writing, this Bond Purchase Agreement shall constitute the agreement of the Underwriter to purchase the Bonds on the terms and subject to the conditions herein set forth.

The above-captioned bonds are collectively referred to herein as the “Bonds.” Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture or the Financing Agreement (as each such term is hereinafter defined). The Indenture, the Financing Agreement, the Regulatory Agreement, the Tax Compliance Agreement and No Arbitrage Certificate (the “Tax Certificate”) and this Bond Purchase Agreement are hereinafter collectively referred to as the “Issuer Documents.” The Financing Agreement, the Regulatory Agreement, the Note, the Tax Certificate, the Continuing Disclosure Agreement, the Remarketing Agreement and this Bond Purchase Agreement are hereinafter collectively referred to as the “Borrower Documents.” The Indenture, the Continuing Disclosure Agreement and the Regulatory Agreement are hereinafter collectively referred to as the “Trustee Documents.”

SECTION 1. Purchase and Sale of the Bonds

Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter on October __, 2024 (the “Closing Date”), all (but not less than all) of the Series 2024A

Bonds, at a purchase price equal to \$[13,220,000] and the Series 2024B Bonds, at a purchase price equal to \$[6,130,000], [plus a premium of \$_____], for a total purchase price of \$[19,350,000]. The Borrower agrees to pay the Underwriter \$_____ plus \$_____ for certain fees and expenses in connection with the purchase of the Bonds (not including fees of its counsel) (the “Underwriting Fee”) in addition to the other expenses stipulated in Section 9 herein (together with the Underwriting Fee, the “Fees”). The Fees are payable on the Closing Date. Payment of the Fees is solely the obligation of the Borrower.

The Bonds shall be as described in, and shall be issued pursuant to, a Trust Indenture, dated as of October 1, 2024 (the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds shall be issued pursuant to a resolution adopted by the Issuer (the “Resolution”) on October __, 2024, and the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”). The Bonds will mature on the date, will bear interest at the Initial Interest Rate and are subject to mandatory tender on the Initial Mandatory Tender Date set forth on Schedule I attached hereto.

The proceeds of the Bonds will be used by the Issuer to provide funding for a loan to the Borrower (the “Loan”) to finance the acquisition, construction and equipping of a 74-unit affordable rental housing project located in Fairfax, Virginia, to be known as Residences at Government Center 2 – NW4 (the “Project”). The Loan will be evidenced by a promissory note from the Borrower (the “Note”). The Issuer and the Borrower will enter into a Financing Agreement dated as of October 1, 2024 (the “Financing Agreement”) relating to the Bonds. The Issuer, the Trustee and the Borrower will enter into a Land Use Restriction Agreement dated as of October 1, 2024 (the “Regulatory Agreement”) regarding the operation of the Project.

It shall be a condition (a) to the obligations of the Issuer to sell and deliver the Bonds to the Underwriter, and (b) to the obligations of the Underwriter with respect to the Bonds, to purchase and accept delivery of and to pay for the Bonds, that the entire aggregate principal amount of the Bonds shall be sold and delivered simultaneously by the Issuer and be purchased, accepted and paid for simultaneously by the Underwriter as to the Bonds.

SECTION 2. Offering of the Bonds and Issue Price Certificate

The Underwriter hereby agrees that:

- (i) the Underwriter will make a bona fide public offering of the Bonds at the price shown on Schedule I hereto (which shall not be less than par);
- (ii) at least 10% of each maturity of the Bonds were sold at the price shown for that Maturity (as defined on Appendix D hereto) on the date hereof; and
- (iii) the Underwriter will provide to the Issuer and Ballard Spahr LLP, Washington, D.C. (“Bond Counsel”) an executed Issue Price Certificate dated the Closing Date in a form substantially similar to Appendix D hereto.

SECTION 3. Official Statement

(a) The Issuer has delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated October __, 2024, which, together with the cover page and appendices thereto, is herein referred to as the “Preliminary Official Statement.” The Borrower deems the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is

permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof. Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the date of Closing Date, the Issuer shall deliver to the Underwriter the final Official Statement (the "Official Statement"), and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12 and rules of the Municipal Securities Rulemaking Board (the "MSRB") and to meet potential customer requests for copies of the Official Statement. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Borrower shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Issuer agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the SEC.

(b) With its acceptance hereof, the Issuer will deliver, at the expense of the Borrower, to the Underwriter within seven (7) business days of the date hereof (or within such shorter period as may be requested by the Underwriter in order to accompany any confirmation that requests payment from any customer to comply with paragraph (b)(4) of Rule 15c2-12 and Rule G-32 and all other applicable rules of the MSRB), copies of the final Official Statement in an amount mutually agreed upon, dated the date hereof, together with all supplements and amendments thereto, as shall have been accepted by the Underwriter, signed on behalf of the Borrower.

The Issuer hereby consents to the use of the Official Statement by the Underwriter in conjunction with the public offering and pricing of the Bonds. Except for the information contained in the portions of the Official Statement under the captions "THE ISSUER" and "ABSENCE OF LITIGATION — The Issuer," the Issuer has not confirmed, and assumes no responsibility for, the accuracy, completeness, sufficiency or fairness of any statements in the Official Statements or any amendments thereof or supplements thereto, or in any reports, financial information, offering or disclosure documents or other information relating to the Underwriter, the Project, the Borrower, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower or contained otherwise in the Official Statement.

(c) The Issuer agrees with the Underwriter that if between the date of this Bond Purchase Agreement and the date which is the earlier of (i) 90 days from the "end of the underwriting period," as defined in Rule 15c2-12 or (ii) the time when the Official Statement is available to any person from the MSRB's Electronic Municipal Market Access ("EMMA") system, but in no case less than 25 days following the end of the underwriting period, any event shall occur which would or might cause the information supplied by or concerning the Issuer, contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall cooperate with the Underwriter in supplementing or amending the Official Statement, the printing of which will be at the expense of the Borrower, in such form and manner and at such time or times as may be reasonably called for by the Underwriter.

(d) Unless otherwise notified in writing by the Underwriter on or prior to the date of the Closing, the Issuer and the Borrower can assume that the "end of the underwriting period" for the Bonds for all purposes of Rule 15c2-12 is the date of the Closing. Any notice to the contrary shall be given in writing by the Underwriter and such notice shall state that it relates to the Bonds, shall specify the "end of the underwriting period" (as defined in Rule 15c2-12) for the Bonds identified in such notice.

(e) At or prior to the Closing, the Underwriter shall file, or cause to be filed, the Official Statement with EMMA.

(f) In order to assist the Underwriter in complying with Rule 15c2-12, the Borrower will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual financial information and notices of the occurrence of specified events. A description of the Continuing Disclosure Agreement is set forth in, and a form of such agreement is contained in, the Preliminary Official Statement and the Official Statement.

SECTION 4. Representations and Warranties of the Issuer

The Issuer represents and warrants as of the date hereof to the Underwriter and the Borrower as follows:

(a) By its execution hereof, the Issuer represents and warrants to, and agrees with the Underwriter that it is a political subdivision of the Commonwealth of Virginia (the “State”), and has full legal right, power and authority (i) to enter into this Bond Purchase Agreement and the other Issuer Documents; (ii) to adopt the Resolution and cause the delivery of the Bonds to the Underwriter pursuant to the Resolution and the Indenture as provided herein; (iii) to loan the proceeds of the Bonds to the Borrower for the purpose set forth in the Official Statement; and (iv) to carry out and consummate the transactions contemplated by the Official Statement and the Issuer Documents;

(b) The Issuer, as advised by Bond Counsel, has complied, and will at the Closing Date be in compliance in all material respects with the Issuer Documents and the relevant laws of the State, with respect to the Bonds;

(c) (i) At or prior to the Closing, the Issuer will have taken all action required to be taken by it to authorize the issuance and sale of the Bonds and the performance of its obligations hereunder; (ii) the Issuer has full legal right, power and authority to enter into the Issuer Documents, each as described in the Official Statement, will have full legal right, power and authority to deliver the Bonds to the Underwriter and to perform its obligations hereunder as provided in the Bonds and the Issuer Documents, and all other documents to be executed by the Issuer in accordance with the issuance of the Bonds; (iii) at or prior to the Closing, the execution and delivery of, and the performance by the Issuer of the obligations contained in the Bonds, and the Issuer Documents shall have been duly authorized, and when executed the Issuer Documents will constitute valid and legally binding limited obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors’ rights generally and the application of equitable principles where equitable remedies are sought and limitations on the enforcement of judgments against public bodies; (iv) the Issuer has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement; and (v) the Issuer Documents have been duly and validly adopted by the Issuer and are at the time of acceptance hereof in full force and effect;

(d) Between the date hereof and the Closing, the Issuer will not, without notifying the Underwriter in writing, issue any bonds, notes or other obligations for borrowed money on behalf of the Borrower except for such borrowings as may be described in or contemplated by the Official Statement;

(e) No further consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body which shall not have been obtained on or prior to Closing as advised by Bond Counsel is required for the issuance, delivery or sale of the Bonds, or the consummation of the other transactions effected or contemplated herein or hereby except for such actions may be necessary to be taken to qualify the Bonds for offer and sale under the Blue Sky or other

securities laws and regulations of such states and jurisdictions of the United States as the Underwriter shall designate, subject to Paragraph (k) of this Section;

(f) The information in the Official Statement under the captions “THE ISSUER” and “ABSENCE OF LITIGATION — The Issuer” (collectively, the “Issuer Information”) (as amended or supplemented with the approval of the Underwriter, if the Official Statement shall have been amended or supplemented) is, as of the date hereof and as of the date thereof and at all times subsequent thereto up to and including the Closing Date, true, correct and complete in all material respects and does not, and will not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to be stated therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) The Issuer, with respect to the Bonds, has not received notice that it is in material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject that would adversely affect the validity of the Bonds or the transactions contemplated herein; and the adoption of the Resolution and the execution and delivery of this Bond Purchase Agreement, the Bonds, the other Issuer Documents and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, and compliance with the provisions of each thereof do not, to the Issuer’s knowledge, conflict with or constitute a material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree, or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer, is a party or is otherwise subject;

(h) All approvals, consents, and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer, of its obligations hereunder and under the Resolution, the Issuer Documents and the Bonds and all other documents to be executed by the Issuer in connection with the issuance of the Bonds have been obtained;

(i) The Bonds, when delivered and sold to the Underwriter as provided herein, will have been duly authorized and executed and will constitute validly issued and binding limited obligations of the Issuer in conformity with, and entitled to the benefit and security of, the Act and the Issuer Documents;

(j) The Issuer will not knowingly take any action after the date hereof which would cause the Bonds not to conform in all material respects to the description thereof contained in the Official Statement;

(k) The Issuer will furnish such information, execute such instruments and cooperate with the Underwriter as the Underwriter may reasonably request in order for the Underwriter (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided that the Issuer shall not be required to register as a dealer or broker in any jurisdiction, be obligated to qualify to do business in any state, consent to jurisdiction of any state or take any action that would subject it to general service of process in any state where not now subject, or comply with any other requirements deemed by it to be unduly burdensome;

(l) At the Closing Date, the Issuer Information in the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(m) Except as disclosed in the Official Statement, the Issuer has received no notice of any litigation pending or threatened in any court in any way affecting the existence of the Issuer or the title of any officer of the Issuer who is required to execute any of the Issuer Documents to the office held by such member or employee, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or the Issuer Documents or contesting the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer, or its authority with respect to the Bonds, the Resolution and the Issuer Documents;

(n) Any certificate relating to the issuance and delivery of the Bonds signed by an authorized member or officer of the Issuer and delivered to the Underwriter or Trustee at or prior to the Closing Date shall be deemed a representation and warranty by the Issuer in connection with this Bond Purchase Agreement to the Underwriter or the Trustee as to the statements made therein; and

(o) The Issuer agrees that all representations, warranties and covenants made by it herein, and in certificates, agreements or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Underwriter, and that all representations, warranties and covenants made by the Issuer herein and therein and all the Underwriter's rights hereunder and thereunder shall survive the delivery of the Bonds.

SECTION 5. Representations, Warranties and Agreements of the Borrower

The Borrower represents, warrants and agrees with the Underwriter and the Issuer as follows:

(a) The Borrower is duly formed and validly existing as a limited liability company under the laws of the State, has full legal right, power and authority to own its properties and to conduct its business as described in the Official Statement and as contemplated by the Borrower Documents and to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents and the Official Statement, and is duly qualified to do such business and is in good standing wherever such qualification and/or standing are required, including the State.

(b) By all necessary action, the Borrower has duly authorized the Borrower Documents and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of its obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents to which it is a party and the consummation by it of all other transactions contemplated by the Indenture, the Official Statement and the Borrower Documents in connection with the issuance of the Bonds.

(c) On the Closing Date, the Borrower Documents will constitute the valid, legal and binding obligations of the Borrower (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(d) As of the date hereof, the Borrower is not in any material respect in violation of, breach of or default under any applicable law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with or constitute on the part of the Borrower a violation or breach of or default under any law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets are bound which violation, breach or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents.

(e) No consent, approval, authorization or order of any court or governmental body is required for the consummation by the Borrower of the transactions contemplated by this Bond Purchase Agreement and the Borrower Documents to which it is a party except such as have already been obtained or will be obtained on or prior to Closing or may be required under the state securities or "Blue Sky" laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(f) The information contained in the Preliminary Official Statement and the Official Statement under the captions "PRIVATE PARTICIPANTS," "THE PROJECT," "ABSENCE OF LITIGATION – The Borrower," and "CONTINUING DISCLOSURE" is true and correct and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(g) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation of which the Borrower has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers executing this Bond Purchase Agreement to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Bonds, any of the Borrower Documents or the execution and delivery or adoption by the Borrower of any of the Borrower Documents, or in any way contesting or challenging the completeness or accuracy of the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial condition or operations of the Borrower or the validity of the authorization, execution, delivery or performance by the Borrower of any of the Borrower Documents.

(h) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts upon the reasonable request of the Underwriter to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to pay any amounts, register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(i) Any certificate signed by the Borrower and delivered to the Underwriter or the Issuer pursuant to the Indenture or the Borrower Documents shall be deemed a representation and warranty in accordance with such certificate's provisions by the Borrower to the Underwriter and the Issuer as to the statements made therein as of the date thereof.

(j) The Borrower will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under the Internal Revenue Code of 1986, as amended.

(k) The Borrower shall honor all other covenants made by the Borrower contained in the Borrower Documents.

(l) All permits, licenses and other authorizations necessary for the ownership, acquisition, construction, and equipping of the Project in the manner contemplated by the Official Statement and the Borrower Documents have been obtained or will be obtained by the time required, and said ownership, acquisition, construction, and equipping are not in conflict with any zoning or similar ordinance applicable to the Project.

(m) As of the date hereof, the Borrower is not in nor has been in default under any prior continuing disclosure agreement or undertaking entered into in connection with a prior plan of financing subject to Rule 15c2-12.

The execution and delivery of this Bond Purchase Agreement by the Borrower shall constitute a representation to the Underwriter and the Issuer that the representations and warranties contained in this Section 5 are true as of the date hereof.

SECTION 6. Indemnification

(a) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer, the Trustee, the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Issuer, the Trustee, the Underwriter and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (a "Control Person") (collectively referred to herein as the "Indemnified Parties"), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the "Liabilities") caused by or directly or indirectly arising from or in any way relating to (i) the Bonds, the Project, the loan of the proceeds of the Bonds, the Financing Agreement, the Indenture, the Regulatory Agreement, this Bond Purchase Agreement, the Bond Financing Documents, or any document related to the Bonds, the Loan or any transaction or agreement, written or oral, pertaining to the foregoing, (ii) the breach by the Borrower of any representation, warranty or covenant of the Borrower contained herein or

in any of the other Bond Financing Documents, or (iii) any untrue or misleading statement of a material fact (except for the information under the captions “THE ISSUER” and “ABSENCE OF LITIGATION — The Issuer”) contained in the Official Statement or any omission of a material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer and the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Issuer and the Underwriter from and against all Liabilities directly or indirectly arising from or relating to any fraud or misrepresentations, errors or omissions contained in the proceedings of the Issuer pertaining to the financial condition of the Borrower; provided, however that, except with regard to the Issuer, the foregoing indemnity of an Indemnified Party pursuant to Section 6(a) and this Section 6(b) shall not apply to any loss to the extent such damages are caused by the gross negligence or willful misconduct or default of such Indemnified Party or any affiliate, member, officer, director, official, employee, agent or Control Person of such Indemnified Party or of the Principal Indemnified Party with which said party is affiliated or other official representation or inducement made by the Issuer and the Underwriter, respectively, pertaining to the Bonds.

(c) Any Indemnified Party shall notify the Borrower of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower an opportunity to defend the same at the Borrower’s expense and with counsel reasonably satisfactory to the Indemnified Party, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense but not to take any action to settle the same without the approval of the Borrower which approval shall not be unreasonably withheld. Each Indemnified Party shall have the right to engage separate counsel in any such action or proceeding and participate in the investigation and defense of the action or proceeding and the Borrower shall be obligated to pay the reasonable fees and expenses of such separate counsel if the Indemnified Party reasonably determines that a conflict of interest exists between the interests of the Indemnified Party and the interests of the Borrower. If the Borrower shall, after this notice and within a period of time necessary to preserve any and all reasonable defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk, cost and expense of, the Borrower.

(d) The Indemnified Parties, other than the Issuer and the Underwriter, shall be considered to be third-party beneficiaries of this Bond Purchase Agreement for purposes of this Section 6. The provisions of this Section 6 will be in addition to all liability that the Borrower may otherwise have under law or any other Borrower Document and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

(e) The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Financing Agreement or any other document, including the Remarketing Agreement, provided that in no event shall the Borrower be obligated for double indemnification, in that the Borrower shall not be required to indemnify an Indemnified Party more than once with respect to a specific indemnification obligation arising as the result of a specific event.

(f) All indemnification obligations are subject to the limitations in Section 18 of this Bond Purchase Agreement.

(g) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in this Section 6 is for any reason held to be unavailable, the Borrower and the

Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Party may be subject, so that the Indemnified Party is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Indemnified Party be responsible for any amount in excess of the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds. No person guilty of fraudulent misrepresentation (within Section 10(b) of the Securities Act of 1933) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

SECTION 7. Closing

At 10:00 a.m., Eastern Daylight time, on October __, 2024, or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower and the Underwriter, the Issuer shall direct the Trustee to deliver the Bonds to the Underwriter through the facilities of The Depository Trust Company (“DTC”), New York, New York, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer shall deliver at the Issuer’s offices the other documents and instruments to be delivered pursuant to this Bond Purchase Agreement (the “Closing Documents”) and the Underwriter shall accept delivery of the Bonds and Closing Documents and pay the purchase price for the Bonds by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer shall direct. As a condition precedent to such acceptance, the Underwriter shall have received the Underwriting Fee by wire transfer in immediately available federal funds to the order of the Underwriter, in such manner as shall be agreed upon by the Borrower and the Underwriter. This delivery and payment is herein called the “Closing” and the date on which the Closing occurs is herein called the “Closing Date.” If the Underwriter shall make such request, the applicable Bonds shall be made available to the Underwriter one business day before the Closing at the offices of DTC for purposes of inspection and packaging. The Bonds shall be prepared and delivered as fully registered Bonds without coupons in the denominations set forth in the Official Statement or multiples thereof. The ownership of one fully registered Bond in the aggregate principal amount of the Bonds, each bearing a proper, duly assigned CUSIP number will be issued initially in the name of Cede & Co., as nominee of DTC.

SECTION 8. Closing Conditions

The Underwriter has entered into this Bond Purchase Agreement in reliance upon representations, warranties and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations and warranties of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of the Closing, the Resolution shall have been duly approved and adopted by the Issuer and shall be in full force and effect and the Issuer Documents shall have been duly authorized, executed and delivered, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such actions as, in the opinion of Bond Counsel, and

counsel for the Underwriter, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(b) The Underwriter may terminate this Bond Purchase Agreement by notification to the Issuer and the Borrower if at any time subsequent to the date hereof and at or prior to the Closing:

(i) (A) legislation shall be enacted by the Congress of the United States or adopted by the Senate or House of Representatives of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to the Senate or House of Representatives by any committee of either such body to which such legislation has been referred for consideration or by a conference committee of such bodies, (B) a decision shall be rendered by a court of the United States or by the Tax Court of the United States, (C) a ruling, regulation or official action shall be rendered by or on behalf of the United States, or (D) a ruling, regulation or official action shall be proposed or issued, in any manner, including by pronouncement, press release or any other form of notice, by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or another governmental agency of the United States or by or on behalf of any member of the Senate or House of Representatives of the United States in any such instance with respect to federal taxation of interest received on obligations of the general character of the Bonds and which (1) in the opinion of counsel for the Underwriter would have or proposes action which would have the effect of making such interest includable in gross income for federal income tax purposes or (2) which, in the opinion of the Underwriter would materially adversely affect any intended utilization of Bond proceeds or other intended action described in the Official Statement;

(ii) between the date hereof and the Closing, payment for and delivery of the Bonds is rendered impracticable or inadvisable because (A) trading in securities generally shall have been suspended on the New York Stock Exchange or a general banking moratorium shall have been established by Federal or New York authorities or (B) a war involving the United States shall have been declared or escalated or another national or international calamity shall have occurred or escalated, the effect of any of which, in the reasonable judgment of the Underwriter materially adversely affects the marketability of the Bonds (it being agreed by the parties hereto that there is no war or national calamity of such a nature as of the date hereof);

(iii) any event shall occur or exist which, in the reasonable judgment of the Underwriter either makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, any statement or information is not reflected in the Official Statement but should be reflected therein for the purpose for which the Official Statement is to be used in order to make the statements or information contained therein not misleading in any material respect in light of the circumstances under which they were made, and where the Borrower and the Issuer do not agree to supplement or amend the Official Statement to correct the deficiency;

(iv) legislation shall be enacted, or any action shall be taken by the Securities and Exchange Commission, which, in the opinion of counsel for the Underwriter has or may have the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended; or

(v) an occurrence, in the reasonable judgment of Underwriter, of a material adverse change in the capital markets which makes the syndication, sale or financing contemplated hereby

impractical or which makes it inadvisable to proceed with the syndication, sale or financing contemplated hereby on the terms, manner and basis contemplated hereby.

(vi) the rating of the Bonds shall have been downgraded or withdrawn by Moody's Investors Service, Inc. (the "Rating Agency");

(vii) there occurs any change in the financial condition or affairs of the Borrower, the effect of which is, in the reasonable judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or delivery of the Bonds on the terms and in the manner contemplated herein or by the Official Statement; or

(viii) any litigation is instituted to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or questioning the Issuer for or the validity of the Bonds or the money or revenues pledged to the payment thereof or any of the proceedings of the Issuer taken with respect to the issuance and sale thereof.

(c) At or prior to the Closing, the Underwriter shall receive the following documents:

(i) an approving opinion of Bond Counsel addressed to the Issuer, dated the Closing Date substantially in the form attached to the Official Statement, and a reliance letter of such counsel dated the Closing Date and addressed to the Underwriter and the Federal Home Loan Mortgage Corporation ("Freddie Mac");

(ii) opinions or certificates, as the case may be, dated the Closing Date and addressed to the Underwriter and to such other parties as may be appropriate, (including, in the case of the opinions referred to in clauses (A) and (B), reliance letters addressed to the Borrower) of:

(A) Bond Counsel, substantially in the form attached hereto as Appendix A;

(B) Borrower's Counsel, in the form and substance acceptable to the Underwriter and its counsel, Freddie Mac, and Bond Counsel, attached hereto as Appendix B;

(C) Issuer's Counsel, in the form and substance acceptable to the Underwriter and its counsel and Bond Counsel; and

(D) Trustee's Counsel, in the form and substance acceptable to the Underwriter and its counsel and Bond Counsel.

(iii) the Borrower's 15c2-12 Certificate, duly executed by the Borrower, attached hereto as Appendix C;

(iv) a certificate, dated the Closing Date and signed on behalf of the Issuer, delivered to the Underwriter and the Borrower, to the effect that:

(A) Except as disclosed in the Official Statement, the Issuer has received no notice of any action, suit, proceeding, inquiry or investigation, at law or in equity, by or before any court, public board or body, pending or threatened against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would: (a) affect the creation, existence or powers of the Issuer, or the title to the office of the officers who are required to execute any of the Issuer Documents thereof, (b) limit, enjoin or restrain the issuance,

sale and delivery of the Bonds, or the payment, collection or application of the revenues and limit, enjoin or restrain other moneys and securities pledged or to be pledged under the Indenture or the pledge thereof, (c) any of the rights, powers, duties or obligations of the Issuer with respect to the moneys and assets pledged or to be pledged to pay the principal of or redemption price, if any, or interest on the Bonds, (d) question or affect the authority for or validity of the Bonds, the Issuer Documents or the Resolution, or (e) question or affect its obligations as contemplated by any other agreement or instrument related to the Bonds to which the Issuer is a party;

(B) the Issuer has complied or will comply with, as advised by Bond Counsel, all agreements, covenants and arrangements and has satisfied all conditions on its part to be complied with, performed or satisfied in connection with the issuance and delivery of the Bonds at or prior to the Closing Date;

(C) the representations and warranties of the Issuer contained herein, in the Issuer Documents, are true, complete and correct in all material respects as of the Closing Date; and

(D) the statements contained in the Official Statement under the captions "THE ISSUER" and "ABSENCE OF LITIGATION — The Issuer," are true and correct in all material respects;

(v) a certificate of the Issuer and the Borrower as to arbitrage and other federal tax matters in form and substance acceptable to the Issuer, Bond Counsel and the Underwriter;

(vi) a certificate of the Borrower, dated the Closing Date, that (A) each of the Borrower's representations and warranties set forth in the Borrower Documents (including this Bond Purchase Agreement) is true and correct in all material respects on the Closing Date with the same effect as if made on the Closing Date, (B) the Borrower Documents are in full force and effect and have not been amended, modified or supplemented, (C) to the knowledge of the Borrower, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect, and (D) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents at or prior to the Closing Date;

(vii) a certificate of the Trustee, dated the Closing Date, that (A) the Trustee is a national banking association duly organized and existing under the laws of the United States, with trust and fiduciary powers in the State, and has full power and authority and is qualified to undertake the trusts of the Indenture, to execute and deliver the Trustee Documents and to perform its obligations thereunder and (B) the Trustee has duly authenticated and delivered the Bonds in accordance with the terms of the Indenture;

(viii) a certificate of Freddie Mac, substantially in the form attached hereto as Appendix E hereto.

(ix) counterpart originals or certified copies of each of the Issuer Documents, Borrower Documents and Trustee Documents;

(x) written evidence satisfactory to the Underwriter that the Rating Agency has issued a rating of “[Aaa]” for the Series A Bonds and a rating of “[Aaa/VMIG 1]” for the Series B Bonds and such rating shall be in effect on the Closing Date;

(xi) such agreements, certificates and opinions as requested by the Underwriter to evidence the closing of the Loan; and

(xii) such additional legal opinions, certificates (including any certificates necessary or desirable in order to establish the exclusion of the interest on the Bonds from gross income for federal income tax purposes), instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Issuer’s representations herein and in the Official Statement and the due performance or satisfaction by the Issuer at or prior to such date of all agreements then to be performed, and all conditions then to be satisfied by the Issuer.

If the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, neither the Underwriter, nor the Issuer shall be under further obligation hereunder.

SECTION 9. Expenses

The Underwriter shall be under no obligation to pay, and the Borrower hereby agrees to pay from funds available at Closing other than proceeds of the Bonds, all expenses incident to the performance of the Issuer’s obligations hereunder, including, but not limited to, (a) the costs of printing and preparation for printing or other reproduction for distribution and use in connection with the offering and placement of the Bonds, such number of copies as the Underwriter shall require of the Indenture, the Resolution and the Official Statement, as well as any delivery costs incurred in connection with the distribution of the foregoing documents; (b) the cost of preparing the definitive Bonds; (c) the fees and disbursements of Bond Counsel in connection with the authorization and issuance of the Bonds; the fees and expenses of the Trustee and its counsel; the fees and expenses of the Issuer and its counsel; the fees and expenses of counsel to the Underwriter; (d) the fees of the Rating Agency in connection with the rating of the Bonds; (e) all advertising expenses in connection with the public offering of the Bonds; (f) any other expenses of the Underwriter (other than those required hereunder to be paid solely by the Underwriter); and (g) all other expenses in connection with the offer, sale and placement of the Bonds. The Issuer shall not have any obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds. Notwithstanding anything to the contrary, in the event the transaction contemplated hereby does not close, the Borrower shall pay all fees and expenses incurred in connection with the transaction.

The Borrower acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred in connection with the issuance of the Bonds. The Borrower has agreed to pay the Underwriting Fee set forth in Section 1 of this Bond Purchase Agreement, and inclusive in the expense component of the Underwriting Fee are actual expenses incurred or paid for by the Underwriter on behalf of the Borrower in connection with the marketing, issuance, and delivery of the Bonds, including, but not limited to, advertising expenses, the costs of any preliminary and final blue sky memoranda, CUSIP fees, and transportation, lodging, and meals for the Borrower’s employees and representatives.

SECTION 10. Notices

Any notice or other communication to be given to the Issuer or the Borrower at the respective addresses set forth on the first page hereof and any such notice or other communication to be given to the

Underwriter may be given by mailing the same to Stifel, Nicolaus & Company, Incorporated, 639 Loyola Avenue, Suite 200, New Orleans, LA 70113, Attention: John Sabatier.

SECTION 11. Parties in Interest

This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Borrower and the Underwriter (including any successor or assignees of the Underwriter), and, except as provided in Section 6 hereof, no other party or person shall acquire or have any right hereunder or by virtue hereof.

SECTION 12. Amendments

This Bond Purchase Agreement may not be amended without the written consent of the Issuer, the Borrower and the Underwriter.

SECTION 13. Survival of Representations and Warranties

The representations and warranties of the Issuer and the Borrower shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Issuer and the Borrower and regardless of delivery of and payment for the Bonds.

SECTION 14. Execution in Counterparts

This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 15. No Prior Agreements

This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Issuer.

SECTION 16. Effective Date

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and the Borrower and shall be valid and enforceable as of the time of such acceptance.

SECTION 17. Governing Law

This Bond Purchase Agreement shall be governed by the internal laws of the State without giving effect to the conflict of law principles of the State.

SECTION 18. Underwriter Not Acting as Advisor or Fiduciary

The Issuer and the Borrower each acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the Issuer, the Borrower, and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the Issuer or the Borrower, (iii) the Underwriter has not assumed individually or collectively

any advisory or fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has advised or provided other services or is currently advising or providing other services to the Issuer or the Borrower on other matters) and the Underwriter has no obligation to the Issuer or the Borrower with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement and (iv) the Issuer and the Borrower have consulted their own legal, financial, accounting, tax and other advisors to the extent they deem appropriate in connection with the offering of the Bonds. The primary role of the Underwriter is to purchase the Bonds for resale to investors in an arm's-length commercial transaction between the Issuer and the Underwriter. The Underwriter has financial and other interests that differ from those of the Issuer.

SECTION 19. Prohibition on Boycotts

By entering into this Purchase Contract, the Underwriter certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Purchase Contract will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Underwriter understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

[Signature pages to follow]

If the foregoing is in accordance with your understanding of the Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the Issuer, the Borrower, the Underwriter in accordance with its terms.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
John Sabatier
Managing Director

[Signatures continue on next page]

[Issuer Signature Page to the Bond Purchase Agreement]

**FAIRFAX COUNTY REDEVELOPMENT AND
HOUSING AUTHORITY**

By: _____
Lenore Stanton
Chair

[Signatures continue on next page]

[Borrower Signature Page to the Bond Purchase Agreement]

RGC2 NORTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Northwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

SCHEDULE I

**AMOUNT, MATURITY, INITIAL MANDATORY TENDER DATE AND
INITIAL INTEREST RATE**

**Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A**

<u>Dated Date</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
October ____, 2024	November 1, 2044	[\$13,220,000]	__%	100%

**Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B**

<u>Dated Date</u>	<u>Initial Mandatory Tender Date</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
October ____, 2024	November 1, 2027	November 1, 2028	[\$6,130,000]	__%	100%

APPENDIX A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

October __, 2024

Stifel, Nicolaus & Company, Incorporated
New Orleans, Louisiana

Re: \$[13,220,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024A (the “Series A Bonds”) and the \$[6,130,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - NW4) Series 2024B (the “Series B Bonds,” and together with the Series A Bonds, the “Bonds”)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Fairfax County Redevelopment and Housing Authority (the “Authority”), a political subdivision of the Commonwealth of Virginia, organized and existing under the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”), of the above-referenced bonds (the “Bonds”). The Bonds are being issued pursuant to the Act, a resolution adopted by the Commissioners of the Authority on October __, 2024, and a Trust Indenture dated as of October 1, 2024 (the “Indenture”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meanings as set forth in the Indenture.

In connection with rendering this supplemental opinion, we have reviewed (i) the Preliminary Official Statement and the Official Statement (collectively, the “Official Statement”) prepared in connection with the offering of the Bonds, (ii) the Indenture, (iii) the Financing Agreement dated as of October 1, 2024 between the Authority and RGC2 Northwest 4 Owner LLC (the “Borrower”), (iv) the Land Use Restriction Agreement dated as of October 1, 2024 (the “Regulatory Agreement”) among the Authority, the Borrower and the Trustee, (v) the Bond Purchase Agreement dated October __, 2024 (the “Bond Purchase Agreement”) among the Authority, the Borrower, and Stifel, Nicolaus & Company, Incorporated, as the Underwriter, and (vi) such other documents, certificates and opinions to the extent we deemed necessary to render the opinions and conclusions set forth herein.

As to questions of fact material to our opinion, we are relying upon (i) representations of the Authority and the Borrower contained in the documents underlying the issuance of the Bonds, (ii) certified proceedings and other certificates of public officials furnished to us and (iii) other certifications and opinions given to us, without undertaking to verify any of the foregoing by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents, written opinions and other proceedings provided to us, the authenticity of all documents submitted to us as originals, the genuineness of all signatures appearing on documents we have examined, the conformity to the originals of all documents submitted to us as certified or photostatic copies and the legal capacity of natural persons executing all executed documents.

Based on the foregoing, we are of the opinion as of the date hereof that:

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms; provided that enforceability of the Bond Purchase Agreement is subject to and may be limited by the provisions of bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally, now or hereafter in effect, general principals of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and the limitations on legal remedies against political subdivisions in the Commonwealth of Virginia.

2. The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the "1933 Act") and, accordingly, the offer and sale thereof do not require registration under the 1933 Act or qualification of the Indenture under the Trust Indenture Act of 1939, as amended. No opinion is expressed with respect to the necessity of the registration of the Bonds under the "blue sky" or securities laws of any state, territory or possession of the United States or of the Commonwealth of Virginia.

3. The information contained in the Official Statement under the captions "THE BONDS" (excluding the information set forth under the subcaptions "Book-Entry-Only System" therein), "SECURITY FOR THE BONDS" and "TAX MATTERS," and the information in "APPENDIX A – DEFINITIONS OF CERTAIN TERMS," "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT," "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT" and "APPENDIX H – FORM OF BOND COUNSEL OPINION" insofar as such information purports to summarize the Indenture, the Financing Agreement, the Regulatory Agreement, the Bonds and the Federal and Commonwealth of Virginia treatment of interest on the Bonds for income tax purposes, fairly summarize the documents and legal matters referred to therein.

This opinion is rendered for the sole benefit of the addressees listed above, and may not be delivered or circulated to any other parties or relied upon by any other parties without our prior written consent.

The opinions and conclusions set forth herein may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur, and we disclaim any obligations to update this letter. Our engagement with respect to the Bonds has concluded with their issuance.

Very truly yours,

APPENDIX B

FORM OF OPINION OF COUNSEL TO BORROWER

October __, 2024

Stifel, Nicolaus & Company, Incorporated
New Orleans, Louisiana

Fairfax County Redevelopment and Housing Authority
Fairfax, Virginia

\$[13,220,000]
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A

\$[6,130,000]
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B

Ladies and Gentlemen:

We have acted as counsel to RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), in connection with the issuance of the above-captioned bonds (the “Bonds”) by the Fairfax County Redevelopment and Housing Authority (the “Issuer”).

Capitalized terms used but not defined herein have the meanings assigned to them in the Indenture of Trust dated as of October 1, 2024, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), or the hereinafter-defined Bond Purchase Agreement.

In our capacity as such counsel, in rendering the opinions set forth below, we have examined, among other things, originals or copies, certified or otherwise identified to our satisfaction, of the following documents: (i) the Preliminary Official Statement, dated October __, 2024, of the Issuer relating to the Bonds (the “Preliminary Official Statement”); (ii) the Official Statement, dated October __, 2024, of the Issuer relating to the Bonds (the “Official Statement”); (iii) the Land Use Restriction Agreement, among the Issuer, the Trustee and the Borrower, dated as of October 1, 2024; (iv) the Financing Agreement, dated as of October 1, 2024, by and among the Issuer, the Trustee and the Borrower; (v) the Bond Purchase Agreement, dated October __, 2024, among the Issuer, the Underwriter named therein and the Borrower (the “Bond Purchase Agreement”); (vi) the Continuing Disclosure Agreement, dated as of October 1, 2024, between the Borrower and the Dissemination Agent named therein; (vii) the Remarketing Agreement, dated as of October 1, 2024, between the Borrower and the Remarketing Agent named therein; (viii) the Bond Note, dated the Closing Date, executed by the Borrower; (ix) the Certificate as to Arbitrage of the Borrower and the Issuer and the Certificate Regarding Use of Proceeds, each dated October __, 2024, and executed and delivered by the Borrower; and (x) such other documents, certificates and instruments as we have deemed necessary for the purposes of reaching the opinion expressed herein. We have also relied as to matters of fact upon a certificate of the Borrower and examined certain other certificates and documents.

In such examination, we have assumed the genuineness of all signatures (other than those relating to the Borrower), the authenticity of all documents submitted to us as originals, and the conformity to the original document of all documents submitted to us as photostatic or certified copies. We have assumed

due authorization, execution and delivery of all documents referenced herein by the parties thereto other than the Borrower and that each of such parties has full power, authority and legal right to execute and deliver each such instrument.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof:

(i) The Borrower (a) is a limited liability company validly existing under the laws of the Commonwealth of Virginia (the “State”), (b) is in good standing and duly qualified to transact business in the State, and (c) has full power and authority to execute and deliver the documents listed above numbered (iii) through (ix) (the “Financing Documents”) and the Official Statement and to perform its obligations under each respective agreement.

(ii) The Financing Documents and the Official Statement have each been duly authorized, executed and delivered by the Borrower and the Financing Documents constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as the enforcement thereof may be limited by (a) applicable bankruptcy, insolvency, moratorium, reorganization and similar laws (including fraudulent conveyance laws) affecting the enforcement of creditors’ rights and remedies generally in effect from time to time, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iii) The execution and delivery of the Financing Documents and the performance by the Borrower of the terms of the respective agreements do not conflict with or violate any other document, instrument, decree, indenture or agreement by which the Borrower is bound.

(iv) No approval, authorization or other action by, or filing with, the State or any agency thereof, is required in connection with the execution and delivery by the Borrower of the Bond Purchase Agreement.

(v) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before any court or public body pending or, to the best of our knowledge, threatened, to challenge the right, power or authority of the Borrower to acquire, own and operate the Project or to perform its obligations under the Bond Purchase Agreement or the other Financing Documents.

(vi) The information in the Preliminary Official Statement and the Official Statement under the captions, “PRIVATE PARTICIPANTS,” “THE PROJECT,” “CONTINUING DISCLOSURE” and “ABSENCE OF LITIGATION – The Borrower” does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading as of the date hereof.

We express no opinion as to any matter whatsoever, relating to the accuracy or completeness of any financial accounting or projection information furnished to any party, the accuracy or completeness of any representation made by our clients, the financial status of our clients, the ability of our clients to meet their obligations under any of the above-referenced agreements or any other related document.

APPENDIX C

FORM OF RULE 15c2-12 CERTIFICATE

**[\$13,220,000]
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A**

**[\$6,130,000]
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B**

The undersigned hereby certifies and represents to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) that he is authorized to execute and deliver this certificate on behalf of RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), and hereby further certifies to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the issuance and sale of the above captioned bonds (the “Bonds”).

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement dated October __, 2024, setting forth information concerning the Bonds and the Borrower (the “Preliminary Official Statement”).

(c) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), accreted values, yield to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the issuance and sale of the Bonds.

(d) The Preliminary Official Statement is, as of the date thereof, deemed final within the meaning of the Rule, except for Permitted Omissions.

(e) The section of the Preliminary Official Statement entitled “CONTINUING DISCLOSURE” describes the agreement the Borrower expects to make for the benefit of the Bondholders in the Continuing Disclosure Agreement dated as of October 1, 2024, by and between the Borrower and The Bank of New York Mellon Trust Company, N.A., in its capacity as dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with the Rule.

Dated: October __, 2024

[Signature page to Rule 15c2-12 Certificate]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date set forth above.

RGC2 NORTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Northwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

APPENDIX D

FORM OF ISSUE PRICE CERTIFICATE

[\$13,220,000]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A

[\$6,130,000]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024B

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I attached to the Bond Purchase Agreement dated October __, 2024, among the Underwriter, RGC2 Northwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), and Fairfax County Redevelopment and Housing Authority (the “Issuer”).

2. Defined Terms.

(a) “*Issuer*” means the Fairfax County Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia.

(b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a related party to the Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. Weighted Average Maturity. The weighted average maturity of the Bonds is ____ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the Borrower with respect to certain of the representations set forth in the Tax Compliance Agreement and No Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ballard Spahr LLP, Bond Counsel, in connection with rendering its opinion that the

interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Bonds.

Dated: October __, 2024

[Signature page to Issue Price Certificate]

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
John Sabatier
Managing Director

[Signatures continue on next page]

[Signature page to Issue Price Certificate]

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Z. Jason Barnett
Managing Director

APPENDIX E

CLOSING CERTIFICATE OF FREDDIE MAC

CERTIFICATE OF FEDERAL HOME LOAN MORTGAGE CORPORATION

**Relating to certain information
contained in the
Official Statement
for**

**[\$13,220,000]
Fairfax County Redevelopment Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - NW4)
Series 2024A**

October __, 2024

This Certificate of Federal Home Loan Mortgage Corporation (“Freddie Mac”) is being executed and delivered on behalf of Freddie Mac by the undersigned, an authorized officer of Freddie Mac. The undersigned certifies, on behalf of Freddie Mac, that the attached information regarding Freddie Mac is accurate and may be included in the Preliminary Official Statement and final Official Statement for the bonds described above (the “Bonds”).

Attachment

[Signature Appears on the Following Page]

IN WITNESS WHEREOF, Freddie Mac has caused this Certificate to be duly executed by its duly authorized officer or representative as of the date first written above.

**FEDERAL HOME LOAN MORTGAGE
CORPORATION**

By: _____
Rick Hoogstraten
Underwriting Manager
Structured Products
Multifamily Division

[SIGNATURE PAGE TO RELATED – RESIDENCES AT GOVERNMENT CENTER NW4 FREDDIE MAC
CERTIFICATE/OS]

ATTACHMENT TO THE FREDDIE MAC CERTIFICATE

FREDDIE MAC

The information presented under this caption “FREDDIE MAC” has been supplied by Freddie Mac. None of the Issuer, the Trustee, the Owner or the Underwriter has independently verified such information, and none assumes responsibility for the accuracy of such information. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.

General

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act (the “Freddie Mac Act”). Freddie Mac’s statutory mission is to provide liquidity, stability and affordability to the housing market in the United States of America (the “U.S.”). Freddie Mac does this primarily by purchasing residential mortgages originated by lenders. In most instances, Freddie Mac packages these mortgages into mortgage-related securities, which are guaranteed by Freddie Mac and sold in the global capital markets. In addition, Freddie Mac transfers mortgage credit risk exposure to private investors through its credit risk transfer programs, which include securities- and insurance-based offerings. Freddie Mac also invests in mortgage and mortgage-related securities. Freddie Mac does not originate mortgage loans or lend money directly to borrowers.

Although Freddie Mac is chartered by Congress, Freddie Mac alone is responsible for making payments on its securities and obligations. Freddie Mac’s payment obligations under the Credit Enhancement Agreement are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.

Freddie Mac’s statutory mission, as defined in its charter, is to:

- Provide stability in the secondary market for residential mortgages;
- Respond appropriately to the private capital market;
- Provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and
- Promote access to mortgage credit throughout the U.S. (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Conservatorship

Freddie Mac continues to operate under the conservatorship that commenced on September 6, 2008, conducting its business under the direction of the Federal Housing Finance Agency (“FHFA”), Freddie Mac’s conservator (the “Conservator”). To address deficits in Freddie Mac’s net worth, FHFA, as Conservator, entered into a senior preferred stock purchase agreement (as amended, the “Purchase Agreement”) with the U.S. Department of the Treasury (“Treasury”), and (in exchange for an initial commitment fee of senior preferred stock and warrants to purchase common stock) Treasury made a commitment to provide funding, under certain conditions. Freddie Mac is dependent upon the continued

support of Treasury and FHFA in order to continue operating its business. Freddie Mac's ability to access funds from Treasury under the Purchase Agreement is critical to keeping Freddie Mac solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions. See the Incorporated Documents for additional information regarding Freddie Mac's conservatorship, the Purchase Agreement and the uncertainty surrounding Freddie Mac's future.

Additional Information

Freddie Mac's common stock is registered with the U.S. Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 ("Exchange Act"). As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC.

As described below, Freddie Mac incorporates certain documents by reference in this Official Statement, which means that Freddie Mac is disclosing information to you by referring you to those documents rather than by providing you with separate copies. Freddie Mac incorporates by reference in this Official Statement (1) its most recent Annual Report on Form 10-K, filed with the SEC; (2) all other reports Freddie Mac has filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K, excluding any information "furnished" to the SEC on Form 8-K; and (3) all documents that Freddie Mac files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering of the related Bonds, excluding any information Freddie Mac "furnishes" to the SEC on Form 8-K.

These documents are collectively referred to as the "Incorporated Documents" and are considered part of this Official Statement. You should read this Official Statement in conjunction with the Incorporated Documents. Information that Freddie Mac incorporates by reference will automatically update information in this Official Statement. Therefore, you should rely only on the most current information provided or incorporated by reference in this Official Statement.

You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains an internet website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

Freddie Mac makes no representations as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Credit Enhancement Agreement.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT (this “**Agreement**”) is dated as of [_____] 1, 20__] and is made among **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY** (the “**Issuer**”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, in its capacity as trustee (the “**Trustee**”), and **FEDERAL HOME LOAN MORTGAGE CORPORATION** (“**Freddie Mac**”).

RECITALS

Pursuant to, and in accordance with, the provisions of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended, and in accordance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “**Code**”), the Issuer has issued its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024A (the “**Series A Bonds**” or the “**Bonds**”) and its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4 Project), Series 2024B (the “**Series B Bonds**”) in the aggregate principal amount of [\$_____]. The Bonds were issued pursuant to the Trust Indenture dated as of [October 1, 2024] between the Issuer and the Trustee (the “**Indenture**”). The proceeds of the Bonds were used by the Issuer to fund a loan (defined as the Bond Loan in the Indenture and defined herein as the “**Bond Mortgage Loan**”) to RGC2 Northwest 4 Owner LLC, a limited liability company duly organized and existing under the laws of the Commonwealth of Virginia (the “**Borrower**”) under a Financing Agreement dated as of [October 1, 2024], among the Issuer, the Trustee and the Borrower (the “**Financing Agreement**”), and used by the Borrower for the sole and exclusive purpose of financing the acquisition, construction and equipping of a 74-unit multifamily housing project located in Fairfax, Virginia, known as Residences at Government Center II – NW4, which property is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “**Project**”). The Series B Bonds have been paid in full and only the Series A Bonds remain outstanding and are currently outstanding in the principal amount of \$[_____].

The Borrower’s outstanding repayment obligations as of the date hereof with respect to the Bond Mortgage Loan are evidenced by a Multifamily Note, dated October __, 2024 (defined as the Bond Note in the Indenture and defined herein as the “**Bond Mortgage Note**”) from the Borrower to the Issuer, as such has been assigned to the Trustee.

To secure the Borrower’s outstanding obligations under the Bond Mortgage Note as of the date hereof, the Borrower has executed and delivered for the benefit of the Trustee a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof (the “**Bond Mortgage**”) encumbering the Project, which Bond Mortgage has been recorded in the official records of Fairfax County, Virginia (the “**Official Records**”) prior to the recordation of this Agreement. The Issuer assigned certain of its rights under the Financing Agreement and the Bond Mortgage to the Trustee pursuant to the Indenture.

The Borrower has requested that Freddie Mac execute and deliver to the Trustee a Credit Enhancement Agreement dated as of [_____] 1, 20__] (the “**Credit Enhancement Agreement**”) to provide payment for and secure the payment of amounts owing under the Financing Agreement sufficient to pay the principal and interest on the Bonds. Freddie Mac is executing and delivering the Credit Enhancement Agreement concurrently with the execution of this Agreement.

To evidence the Borrower’s reimbursement obligations to Freddie Mac as a result of payments made by Freddie Mac under the Credit Enhancement Agreement, the Borrower and Freddie Mac are entering into a Reimbursement and Security Agreement (the “**Reimbursement Agreement**”) contemporaneously with the execution of this Agreement.

The Borrower’s obligations to Freddie Mac under the Reimbursement Agreement will be secured by a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date (the “**Reimbursement Mortgage**”), encumbering the Project, which Reimbursement Mortgage will be recorded in the Official Records immediately after the recordation of the Bond Mortgage.

It is a condition to the delivery of the Credit Enhancement Agreement by Freddie Mac that the rights of the Issuer, the Trustee and Freddie Mac to enforce remedies under the Bond Mortgage and the Reimbursement Mortgage, respectively, be established between and among the parties hereto.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises contained herein and in order to induce Freddie Mac to execute and deliver the Credit Enhancement Agreement and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. *Defined Terms.* Unless otherwise defined herein, or unless the context clearly indicates otherwise, each term used in this Agreement including in the Recitals set forth above, and which is defined in the Indenture or the Reimbursement Agreement, as applicable, shall have the meaning given to such term by the Indenture or the Reimbursement Agreement.

As used herein, the following terms shall have the meanings set forth below:

“*Bond Documents*” means, collectively, the Indenture, the Bonds, the Financing Agreement, the Bond Mortgage Note, the Tax Regulatory Agreement, the Bond Mortgage, this Agreement and any other document evidencing or securing the Bonds as such documents shall be amended, modified or supplemented from time to time.

“*Bond Mortgage Loan*” means the loan in the original amount of \$[_____], of which \$[_____] is outstanding on the date hereof, by the Issuer to the Borrower pursuant to the Financing Agreement, as evidenced by the Bond Mortgage Note and commencing on the date hereof, secured by the Bond Mortgage. For the avoidance of doubt, the Bond Mortgage Loan and the Bond Loan defined in the Indenture are the same loan.

“*Bond Mortgage Note*” means the Multifamily Note dated [October __, 2024] delivered by the Borrower to the Issuer in the original principal amount of \$[_____], of which \$[_____] is outstanding on the date hereof, together with all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Bond Mortgage Loan, as the same may be amended, modified or supplemented from time to time, which promissory note has been assigned by the Issuer to the Trustee pursuant to the Indenture. For the

avoidance of doubt, the Bond Mortgage Note and the Bond Note defined in the Indenture are the same note.

“*Credit Enhancement Documents*” means, collectively, the Reimbursement Agreement, the Reimbursement Mortgage, the Pledge Agreement with respect to the Bonds, and any other document evidencing or securing the obligations of the Borrower pursuant to the Reimbursement Agreement.

“*Tax Regulatory Agreement*” means the Land Use Restriction Agreement dated as of [October] 1, 2024 by and among the Borrower, the Issuer and the Trustee, to be recorded immediately prior to the Bond Mortgage in the Official Records, together with all supplements thereto.

“*Wrongful Dishonor*” means the failure of Freddie Mac to honor a draw made in accordance with the terms of the Credit Enhancement Agreement (which draw strictly complies with, and conforms to, the terms and conditions of the Credit Enhancement Agreement).

SECTION 2. *Rules of Construction.* The words “hereof,” “herein,” “hereunder,” “hereto,” and other words of similar import refer to this Agreement in its entirety.

The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, Sections, and other subdivisions of this Agreement as originally executed. Reference herein to any document or instrument shall be deemed to include any amendments or supplements to, or restatements of, such documents or instrument.

The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

SECTION 3. *Exercise of Rights and Remedies by Freddie Mac.*

A. Until either a Wrongful Dishonor has occurred and is continuing, or the Credit Enhancement Agreement terminates in accordance with its terms and all of the Borrower’s obligations to Freddie Mac under the Reimbursement Agreement shall have been paid in full:

(i) Except as provided in Sections 3(C) and 3(D), without the prior written consent of Freddie Mac, neither the Trustee nor the Issuer may exercise any of its rights and remedies as beneficiary under the Bond Mortgage or as a secured party with respect to the liens and security interests created by the Financing Agreement or take any action to cause a redemption or mandatory tender of the Bonds or to declare the outstanding balance of the Bonds or the Bond Mortgage Note to be due pursuant to the Indenture or the Financing Agreement or to foreclose the lien of the Bond Mortgage, to seek the

appointment of a receiver or to collect rents or realize upon any other collateral held as security for the Bonds, declare a default or event of default, or file or join in the filing of any judicial proceeding to collect the indebtedness secured by the Bond Mortgage.

(ii) Any and all consents and approvals of the Trustee as beneficiary required under the Bond Mortgage shall be given only with the prior written consent Freddie Mac, in its sole discretion.

(iii) Freddie Mac and the Trustee shall each be named as a mortgagee on all fire, extended coverage and other hazard insurance policies required under the Bond Mortgage and all proceeds shall be held and applied by Trustee in accordance with this paragraph. The application of the proceeds of insurance or condemnation (“**Insurance/Condemnation Proceeds**”) shall be solely as directed by Freddie Mac in accordance with the terms of the Reimbursement Mortgage and subject to the requirement that excess proceeds remaining after the use of such Insurance/Condemnation Proceeds for the repair, restoration, rebuilding or alteration of the Project and for payment of costs incurred by Freddie Mac in connection with such casualty or condemnation shall be deposited with the Trustee and applied in accordance with the Indenture to reimburse Freddie Mac for a drawing upon the Credit Enhancement Agreement for the purpose of redeeming the Bonds in accordance with the Indenture

(iv) Except as provided in Sections 3(C) and 3(D), any and all demands permitted to be made by the beneficiary under the terms of the Bond Mortgage shall be made only by or at the written direction of Freddie Mac in its sole discretion (the beneficiary may request, however, that Freddie Mac, in its discretion, provide such direction).

(v) Except as provided in Sections 3(C) and 3(D), Freddie Mac, in its sole discretion, shall have the sole right to direct the Trustee to waive or forbear any term, condition, covenant or agreement of the Bond Mortgage applicable to the Borrower as Trustor, or any breach thereof, other than a covenant that might adversely impact the tax-exempt status of the Bonds.

(vi) Except as provided in Sections 3(C) and 3(D), Freddie Mac shall control all of the Bond Mortgage Rights (as such term is defined below) and Freddie Mac shall have the right, power and authority to direct the Trustee with respect to all decisions in connection with the Bond Mortgage, which pursuant to its terms may be made by the beneficiary, except Freddie Mac shall *not* have the right to direct the Trustee to take or refrain from taking action that would adversely impact the tax-exempt status of the Bonds. The parties hereto agree that although all Bond Mortgage Loan payments are required to be made semiannually, the Borrower has agreed to make monthly payments under the Reimbursement Agreement to the Servicer in the manner and at the times set forth in the Reimbursement Agreement. “**Bond Mortgage Rights**” collectively means, with respect to the Bond Mortgage Loan, all rights of the Issuer, the Trustee and/or the beneficiary under the Bond Mortgage (other than those rights specifically excluded below) including without limitation, the right to receive any and all Bond Mortgage Loan payments thereunder and all of the rights and interests under the Bond Mortgage, and to vest in its independent contractor, including the Servicer, such rights, powers and authority as may be necessary to implement any of the foregoing; “**Bond Mortgage**

Rights” does not mean, and expressly excludes (a) the Issuer’s rights under Sections 2.4, 2.5, 4.2, 4.3, 6.1 and 7.4 of the Financing Agreement; (b) the right to receive payments relating to the redemption premium of a redeemed Bond; (c) the Issuer’s and the Trustee’s right to require the Borrower to pay rebate, meet continuing disclosure requirements and the right to specifically enforce the Tax Regulatory Agreement; (d) the Trustee’s rights to specifically enforce the Borrower’s obligations to make payments owing to the Trustee pursuant to Sections 2.4, 2.5, 4.2, 4.3, 6.1 and 7.4 of the Financing Agreement; and (e) any right of the Issuer to be indemnified pursuant to the Bond Documents; *provided, however*, that the enforcement of such rights of the Trustee or the Issuer is limited as provided in Sections 3(C) and 3(D) (such rights are referred to herein as the “**Mortgage Retained Rights**”).

(vii) The Trustee and the Issuer covenant and agree neither to file nor join in the filing of any involuntary petition involving the Borrower under the federal bankruptcy laws or other federal or state reorganization, receivership, insolvency or similar proceeding without the prior written consent of Freddie Mac.

(viii) Neither the Trustee nor the Issuer shall acquire by subrogation, contract or otherwise any lien upon or other estate, right or interest in the Project or any rents or revenues therefrom that are not subject to the terms of this Agreement.

(ix) Upon the initiation of any liquidation or reorganization of the Borrower or any of the entities comprising Borrower or any of the partners of any such entity (Borrower and all such entities and partners hereinafter collectively referred to as the “**Borrower Parties**”) in or by the filing of any bankruptcy, insolvency or receivership proceeding or upon the initiation of any involuntary liquidation, dissolution or reorganization proceeding involving a Borrower Party, then, in any such case, any payment or distribution, whether in cash, property or securities, to which Trustee or Issuer would be entitled pursuant to the Indenture, Bond Mortgage Note, Financing Agreement or Bond Mortgage, shall instead be paid over to Freddie Mac for application as provided in the Reimbursement Agreement until all amounts due to Freddie Mac under the Reimbursement Agreement have been paid in full.

(x) The Trustee and the Issuer irrevocably authorize Freddie Mac to take any action (but Freddie Mac has *no* obligation to take any such action, in which case the Trustee or the Issuer may proceed) with respect to any payment or distribution, whether in cash or securities, as described in Section (ix) above (in the name of Freddie Mac or in the name of the Trustee or Issuer, as Freddie Mac may deem necessary or advisable for the enforcement of the provisions of this Agreement):

(1) demand, sue for, collect and receive every such payment or distribution described in Section (ix),

(2) file claims and proofs of claims in any statutory or non-statutory proceeding,

(3) vote the full amount of the Bond Mortgage Loan in its sole discretion in connection with any resolution, arrangement, plan of reorganization, compromise, settlement or extension, and

(4) take all such other action (including, without limitation, the right to participate in any composition of creditors and the right to vote the amount of the Bond Mortgage Loan at creditors' meetings for the election of trustees, acceptances of plans and otherwise), as Freddie Mac may deem necessary or advisable for the enforcement of the provisions of this Agreement.

The Trustee and the Issuer agree, upon the initiation of any liquidation or reorganization of any Borrower Party by the filing of any bankruptcy, insolvency or receivership proceeding or upon the initiation of any involuntary liquidation, dissolution or reorganization proceeding involving a Borrower Party, and at the sole expense of the Borrower or if the Borrower fails to pay, at the expense of Freddie Mac, promptly

(1) to take such action as may be requested at any time by Freddie Mac to deliver any instruments required to collect the amount of the Bond Mortgage Loan, on demand therefor, and

(2) to execute and deliver such powers of attorney (only with respect to the Trustee), assignments or other instruments as may be requested by Freddie Mac in order to enable Freddie Mac to enforce any and all claims upon or in respect of the Bond Mortgage Loan and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or in respect of the Bond Mortgage Loan.

Nothing herein contained shall be deemed to preclude the Trustee and the Issuer from appearing or being heard in any bankruptcy, insolvency, or other similar proceedings affecting a Borrower Party, nor from collecting from a Borrower Party the full Bond Mortgage Loan amount due to the Trustee and the Issuer (through subrogation to the rights of Freddie Mac or otherwise) after all amounts due to Freddie Mac under the Reimbursement Agreement and Reimbursement Mortgage shall have been paid in full nor from enforcing, in accordance with this Agreement, the Mortgagee Retained Rights.

For purposes of this Agreement, Freddie Mac's claim or entitlement in any bankruptcy proceeding for post-petition interest shall be senior to the Bond Mortgage Loan and the Bonds and subject to the rights, benefits, terms and provisions of this Agreement as if it were part of the Reimbursement Agreement obligations. The Trustee and the Issuer hereby agree not to seek adequate protection payments in any Borrower or Borrower Party bankruptcy proceeding without the prior written consent of Freddie Mac, which may be granted or withheld by Freddie Mac in its sole discretion. Further, at the sole expense of the Borrower or if the Borrower fails to pay, at the expense Freddie Mac, the Trustee and the Issuer agree to join, and not object to, or otherwise contest any request for relief from the automatic stay of 11 U.S.C. § 362 requested by Freddie Mac in any bankruptcy proceeding of the Borrower, in order to enable Freddie Mac to foreclose or exercise any of its rights or remedies under the Reimbursement Mortgage to the Project.

The authorization of Freddie Mac set forth above in this subsection (x) shall not obligate Freddie Mac to take any such action.

(xi) Upon the occurrence and during the continuation of a default by the Borrower under the Reimbursement Mortgage, all amounts payable (including, but not limited to, any payment pursuant to an assignment of rents) under the Reimbursement Mortgage shall be paid to Freddie Mac (or the then owner of the Reimbursement Mortgage) in full before any payment or distribution, whether in cash or in other property, shall be made to Trustee or Issuer for the purpose of making Bond Mortgage Loan payments under the Financing Agreement. During the continuation of any default under the Reimbursement Mortgage, any payment or distribution, whether in cash or other property, which would otherwise (but for the provisions contained in this Agreement) be payable or deliverable under the Bond Mortgage, shall be paid or delivered directly to Freddie Mac in satisfaction of any amounts payable (including, but not limited to, any payment pursuant to an assignment of rents) under the Reimbursement Mortgage, (including any interest thereon accruing after the occurrence of any such default) until all such amounts shall have been paid in full or the default shall have been cured or waived by Freddie Mac.

(xii) If any payment of the rents or other revenues arising from an assignment of rents contained in the Bond Mortgage or distribution of security or the proceeds of any of the foregoing is collected or received by Issuer or Trustee in contravention of any term, condition or provision of this Agreement, Issuer or Trustee, as applicable, immediately will deliver the same to Freddie Mac, in precisely the form received (except for the endorsement or the assignment by Issuer or Trustee, as applicable, where necessary), and, until so delivered, the same shall be held in trust by Issuer or Trustee, as applicable. The Issuer or Trustee shall not be required to deliver money paid by the Borrower pursuant to Sections 2.4, 2.5, 4.2, 4.3, 6.1 or 7.4 of the Financing Agreement (other than money required to be paid to Freddie Mac pursuant to the provisions of such sections), any other indemnity payments received by the Issuer or any rebate payments due under the Indenture.

(xiii) Trustee or Issuer shall not have any right to contest any of the procedures or actions taken by Freddie Mac to exercise its remedies under the Reimbursement Agreement or the Reimbursement Mortgage so long as Freddie Mac is in compliance with its agreements hereunder.

B. Freddie Mac shall have the right to delegate to the Servicer any of the Bond Mortgage Rights. Neither Freddie Mac nor the Servicer nor their respective officers, directors, employees or agents shall be liable to the Issuer or the Trustee for any action taken or omitted to be taken in good faith by such party in connection with the Bond Mortgage Loan by reason of such party's control of the Bond Mortgage Rights.

C. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Tax Regulatory Agreement, and if such default remains uncured for a period of 60 days after Borrower and Freddie Mac receive written notice from the Trustee or Issuer stating that a default has occurred pursuant to the Tax Regulatory Agreement, and specifying the nature of the default, the Issuer and the Trustee shall have the right to seek specific performance of the provisions of the Tax Regulatory Agreement, or to exercise their other rights or remedies thereunder; *provided, however*, that the Trustee shall not have the right to accelerate the Bond Mortgage Note or the Bonds, to cause the mandatory tender or redemption of the Bonds, to foreclose under the Bond Mortgage or take any other

remedial action under any of the other Bond Documents. The Trustee and the Issuer agree to refrain from the exercise of such permitted remedies if Freddie Mac cures any such default by the Borrower within sixty (60) days after notice to Freddie Mac, if such default is capable of being cured by the payment of money or, in the event of any other default, Freddie Mac commences to cure such default and thereafter diligently proceeds with such cure.

D. If the Borrower defaults in the performance of its obligations to the Issuer pursuant to Sections 2.4, 2.5, 4.2, 4.3, 6.1 or 7.4 of the Financing Agreement or the Borrower's obligation to comply with continuing disclosure requirements or to make payments to the Trustee owed pursuant to Sections 2.4, 2.5, 4.2, 4.3, 6.1 or 7.4 of the Financing Agreement for fees, expenses, rebate or indemnification, the Issuer or the Trustee shall have the right to exercise all its rights and remedies thereunder; *provided, however*, neither the Issuer nor the Trustee shall have the right to accelerate the Bond Mortgage Note or the Bonds, to cause mandatory tender or redemption of the Bonds, to foreclose under the Bond Mortgage or take any other remedial action under any of the other Bond Documents. The Trustee and the Issuer agree to refrain from the exercise of such permitted remedies if Freddie Mac cures any such default by the Borrower within sixty (60) days after receipt by Freddie Mac of written notice of such default, if such default is capable of being cured by the payment of money or, in the event of any other default, Freddie Mac commences to cure such default and thereafter diligently proceeds with such cure, provided that such longer cure period may be agreed to by the Issuer and the Trustee upon receipt of an opinion of Bond Counsel that such period will not adversely affect the exemption of interest on the Bonds from gross income for federal income tax purposes.

E. The Trustee and the Issuer each acknowledges that Freddie Mac or the Servicer may hold cash or other collateral and reserves to secure the Reimbursement Agreement, which collateral and reserves are not available as security for the Bonds. All cash collateral that is held by the Servicer that is primarily held as security for the payment of principal and interest on the Bonds or to reimburse Freddie Mac for payments made under the Credit Enhancement Agreement shall be invested in obligations the interest on which is excludable from gross income for federal income tax purposes. Freddie Mac agrees that it will instruct the Servicer (based upon the instruction of Bond Counsel) which funds and accounts held by the Servicer are subject to investment yield limitation as described in the Tax Certificate.

F. The Trustee and the Issuer each acknowledges that Freddie may make advances to the Borrower pursuant to the terms of the Reimbursement Agreement and the Reimbursement Mortgage, or any extension, modification, amendment, renewal, consolidation, increase, reinstatement or supplement thereto. The Trustee and the Issuer each acknowledges that the obligations evidenced by the Reimbursement Agreement and secured by the Reimbursement Mortgage, together with accrued interest thereon, plus fees, advances and expenses due and owing by the Borrower thereunder, as applicable, may increase in the future and the agreements of the Trustee and the Issuer set forth in this Agreement shall extend to such amounts that are currently, and that may become, due and owing under the Reimbursement Mortgage.

SECTION 4. *Exercise of Rights and Remedies by Trustee; Transfer of Bond Mortgage Loan.*

A. Upon (a) the occurrence and during the continuation of a Wrongful Dishonor, or (b) upon the termination or replacement of the Credit Enhancement Agreement in accordance with its terms, and no further obligations of the Borrower to Freddie Mac under the

Reimbursement Agreement remain outstanding, Freddie Mac shall not exercise the rights and remedies referred to in Section 3 hereof without the prior written consent of the Trustee, and the actions set forth in Section 3 shall be taken by the Trustee in its sole discretion.

(B) Unless a Wrongful Dishonor shall have occurred and be continuing, neither the Trustee nor the Issuer shall, without the prior written consent of Freddie Mac, dispose of the Bond Mortgage Loan or transfer the Financing Agreement, the Bond Mortgage Note, the Bond Mortgage or any other related document or any right or interest in the Financing Agreement, the Bond Mortgage Note, the Bond Mortgage or any other related document other than, in the case of the Trustee, to a successor Trustee pursuant to the terms of the Indenture. As a condition to the effectiveness of any such transfer to a successor trustee, the successor trustee must execute an assumption agreement with respect to this Agreement and the Indenture in form and substance acceptable to Freddie Mac.

SECTION 5. *Application of Money Received Upon Exercise of Remedies under the Bond Mortgage.* Any and all amounts received or collected by the Trustee or Freddie Mac in payment of the Bond Mortgage Loan as a result of the exercise of set-off rights, the liquidation of any security interest created by the Bond Documents or the Credit Enhancement Documents, the sale (by foreclosure, power of sale or otherwise) of the Project under the Bond Mortgage or the exercise of any remedies under any of the Bond Documents or the Credit Enhancement Documents against the Borrower or the Project (including rents received from the appointment of a receiver) shall be held by the Trustee or Freddie Mac, as the case may be, for the benefit of the Trustee and Freddie Mac and will be applied as follows:

A. Until either (i) a Wrongful Dishonor has occurred and is continuing, or (ii) the Credit Enhancement Agreement expires, terminates or is replaced, and the Borrower has no further obligations to Freddie Mac under the Reimbursement Agreement, such money held by the Trustee and Freddie Mac shall be applied in such manner and in such order as Freddie Mac, in its sole discretion, determines, subject, however, to the terms of the Reimbursement Mortgage and Reimbursement Agreement;

B. Upon and following the occurrence and continuance of an event described in clause (A)(i) or clause (A)(ii) of this Section 5, such money held by the Trustee and Freddie Mac shall be applied in such manner and in such order (to the extent permitted by the Bond Documents, the Credit Enhancement Documents and applicable law) as the Trustee, in its sole discretion, determines as required under the terms of the Indenture.

SECTION 6. *Assignment of Rights.* The Issuer and the Trustee each hereby agree that, following a total defeasance of the Bonds, an acceleration of the principal amount of the Bonds or the calling of all Bonds for redemption or the cancellation of the Bonds, when Trustee holds Eligible Funds under the Indenture or in accordance with written instructions provided by Freddie Mac (whether as a result of the payment by Freddie Mac under the Credit Enhancement Agreement or otherwise) in an amount which shall be sufficient to pay

A. the principal of all Bonds then Outstanding and any redemption premium owed (provide Freddie Mac is *not* liable for any premium) and

B. all accrued and unpaid interest on the Bonds then Outstanding to the date of redemption, acceleration or defeasance,

such that the obligation of Freddie Mac under the Credit Enhancement Agreement is deemed to be retired in full in accordance with its terms, then, in such event, the Issuer or the Trustee, as applicable, shall promptly do all of the following (but at the sole cost and expense of the Borrower):

(i) Use all funds drawn under the Credit Enhancement Agreement as may be necessary to promptly redeem, retire or defease all Outstanding Bonds at their face amount plus any accrued interest, and, in the event any excess funds were paid to the Trustee pursuant to a drawing the Credit Enhancement Agreement, return said excess funds to Freddie Mac promptly;

(ii) At the option of Freddie Mac, either reconvey, release and cancel, or assign to Freddie Mac, all of their right, title and interest (other than their rights to be paid for services rendered and to be rendered and for fees and expenses incurred thereunder and to be indemnified pursuant thereto) under the Bond Documents, other than the Tax Regulatory Agreement, and execute, acknowledge and deliver to Freddie Mac such instruments and documents as may be reasonably necessary in connection with such reconveyance, release, cancellation or assignment;

(iii) Deliver to Freddie Mac, in such form and to such place, as Freddie Mac shall designate, all property due Freddie Mac pursuant to the provisions of the Indenture; and

(iv) Return the Credit Enhancement Agreement to Freddie Mac.

SECTION 7. *Substitution of Obligor.*

7.1 The Issuer and the Trustee agree that, should Freddie Mac succeed to the interest of the Borrower in the Project pursuant to a foreclosure sale or otherwise without having implemented the provisions of Section 6, then Freddie Mac shall have the right, but not the obligation, to be the successor to the Borrower for all purposes of the Bond Documents and Freddie Mac acknowledges and agrees that upon its election to succeed the Borrower, it shall be so treated as successor to the Borrower, *provided, however*, that any and all liability of Freddie Mac as successor in interest to the Borrower's interest under the Bond Documents shall be limited to the period it owns the Project. The Issuer and the Trustee agree that any such transfer of ownership of the Project shall not be deemed to violate any terms or conditions of the Bond Documents.

7.2 Following any succession by Freddie Mac (the "**Successor Borrower**") to the right, title and interest of the Borrower in the Project pursuant to Section 7.1, the Successor Borrower or its designee shall have the right to sell, transfer and/or assign its interest in the Project to any person or entity, provided that the party purchasing the Project from the Successor Borrower or its designee delivers or causes to be delivered to the Issuer and the Trustee concurrently with such transfer: (i) if the Bonds remain Outstanding, a letter of credit or other credit enhancement facility that complies with all applicable requirements under the Indenture and the Financing Agreement; (ii) a written instrument assuming and agreeing to perform all obligations of the Borrower under the Bond Documents to which the Borrower is a party accruing from and after the date of such transfer; (iii) an opinion of counsel to the transferee that such transferee has duly assumed the obligations of the Borrower under the Bond Documents to

which the Borrower is a party, that such transferee is qualified to do so pursuant to the Bond Documents and applicable law, and that each of the Bond Documents to which the Borrower is a party is a binding obligation of the transferee; and (iv) an opinion of Bond Counsel that such transfer or substitution will not cause interest on the Bonds to be included in the gross income of any registered owner thereof for federal income tax purposes (except for interest on any Bond held by a “substantial user” of the Project or a “related person,” within the meaning of Section 147(a)(2) of the Internal Revenue Code of 1986, as amended). Upon completion of any transfer to the Successor Borrower or its designee, in accordance with this Section 7, the liability of the Successor Borrower or its designee, as applicable, or any purchaser from the Successor Borrower or its designee shall be limited to the period it owned the Project and the Successor Borrower or its designee, as applicable, shall thereafter be relieved of any further liability for obligations of the “Borrower” under the Bond Documents accruing from and after the date of such transfer. Any environmental liability that Freddie Mac may incur as a result of its ownership of the Project following a foreclosure or a deed in lieu of foreclosure shall be expressly limited by the provisions of any federal, state or local environmental statutes, rules, regulations or administrative procedures pertaining to “lender liability.”

7.3 The Issuer and the Trustee agree that any purchaser may succeed to the interest of the Borrower in the Project pursuant to a foreclosure sale or otherwise, provided that such purchaser delivers or causes the delivery of the documents described in Section 7.2.

SECTION 8. *Acknowledgement and Consent.* The Issuer and the Trustee acknowledge and consent to the granting by the Borrower to Freddie Mac of the Reimbursement Mortgage which shall be a second priority mortgage lien on the Project (as defined in the Indenture). The Issuer and the Trustee acknowledge and agree that Freddie Mac *is* a third-party beneficiary of the Financing Agreement with the right to enforce the provisions of such Financing Agreement subject to the terms of this Agreement. The Issuer and the Trustee agree and acknowledge that to the extent the Bond Mortgage grants or reserves to the Borrower any rights that are not granted or reserved to the Borrower under the Reimbursement Mortgage, the Borrower must comply with the terms of the Reimbursement Mortgage and a failure to do so shall be an Event of Default under the Reimbursement Agreement.

SECTION 9. *Bond Mortgage Loan Servicing.* The identity of the Servicer being of material importance to Freddie Mac, this Agreement is accepted by Freddie Mac on the basis, and with the understanding, the Servicer will be determined solely by Freddie Mac. The term “Servicer” as used in this Agreement shall mean a multifamily seller and servicer approved by Freddie Mac, which initially shall be Capital One, National Association, and any permitted successor or assign under the Freddie Mac Multifamily Seller/Servicer Guide (the “**Guide**”) or any other person designated by Freddie Mac to service the Bond Mortgage Loan.

Accordingly, so long as the Credit Enhancement Agreement is in effect or obligations of the Borrower to Freddie Mac under the Reimbursement Agreement remain outstanding, and no Wrongful Dishonor has occurred and is continuing, the Issuer and the Trustee agree that Freddie Mac shall, in its discretion, have the sole and exclusive right to (a) appoint the Servicer and arrange for the servicing of the Bond Mortgage Loan and the Bond Mortgage or Financing Agreement, provided such servicing shall be performed by a Freddie Mac approved seller-servicer in accordance with the terms and conditions of the Guide, and (b) remove the Servicer (for any reason), terminate its right to service the Bond Mortgage Loan, and appoint a new Servicer.

The Issuer and the Trustee further acknowledge and agree that the Guide is subject to amendment or termination without the consent of the Issuer, the Trustee or the Borrower (provided that no such amendment shall adversely affect the rights of Issuer or Trustee or in any way operate to modify the provisions of the Financing Agreement, the Commitment or affect the tax status of the Bonds) and that none of the Issuer, the Trustee or the Borrower shall have any rights under or be a third-party beneficiary of the Guide. The Trustee and the Issuer acknowledge and agree that the Servicer shall have no duties or obligations to the Trustee, the Issuer or the Developer under the Guide or otherwise, except as expressly set forth in the Bond Documents. The Trustee and the Issuer acknowledge and agree that any Servicer designated by Freddie Mac shall be paid a fee by the Borrower for its services. None of the Issuer, the Trustee or Freddie Mac shall have the obligation to pay such fees from their own funds. In the event the Borrower fails to make any payment relating to fees, expenses or indemnification obligations to the Issuer or Trustee as required under the Financing Agreement, the party which has not received such payment shall immediately notify the Servicer of such failure.

SECTION 10. *Representations, Warranties and Covenants.*

A. The Issuer represents, warrants and covenants to the other parties hereto that:

(i) The Issuer has not received a notice in writing from the Internal Revenue Service alleging that any event or act has occurred in the operation and management of the Project that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes or a notice in writing from the Trustee concerning any event of default under any Bond Document.

(ii) The Issuer has all necessary power and authority to execute, deliver and perform its obligations under and has duly authorized the execution, delivery and performance of this Agreement. This Agreement is a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, subject to (a) applicable limitations of bankruptcy or equitable principles affecting the enforcement of creditors' rights, the effect of general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith or fair dealing, and the possibility of the unavailability of specific performance or injunctive relief, (b) the exercise of judicial discretion and (c) any limitation of the legal remedies against public entities in the State.

(iii) The Issuer will not knowingly take or permit, or knowingly omit to take or cause to be taken any action within its control that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

B. The Trustee represents, warrants and covenants to the other parties hereto that:

(i) The Trustee has no knowledge of and has no reason to believe that any event or act has occurred that would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or of any event of default under any Bond Document.

(ii) The Trustee has all necessary power and authority to execute, deliver and perform its obligations under and has duly authorized the execution, delivery and performance of this Agreement. This Agreement is a legal, valid and binding obligation

of the Trustee enforceable against the Trustee in accordance with its terms except as enforceability may be limited by bankruptcy, moratorium, insolvency and similar laws affecting creditors' rights generally and general principles of equity.

(iii) The Trustee will not knowingly take or permit, or knowingly omit to take or cause to be taken, any action within its control that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

C. Freddie Mac represents, warrants and covenants to the other parties hereto that:

(i) Freddie Mac has all necessary power and authority to execute, deliver and perform its obligations under and has duly authorized the execution, delivery and performance of this Agreement. This Agreement is a legal, valid and binding obligation of Freddie Mac enforceable against Freddie Mac in accordance with its terms except as enforceability may be limited by bankruptcy, moratorium, insolvency and similar laws affecting creditors' rights generally and general principles of equity.

(ii) Freddie Mac will not knowingly take or permit, or knowingly omit to take or cause to be taken any action within its control that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

SECTION 11. *Subrogation.*

The Issuer and the Trustee agree that Freddie Mac shall be subrogated to their rights and remedies under the Bond Documents (except with respect to any Mortgagee Retained Rights) upon and to the extent of Freddie Mac's payment (whether pursuant to the Credit Enhancement Agreement or otherwise) of the principal of or interest on the Bonds or the payment or performance of any obligation under the Bond Documents. The Issuer and the Trustee agree to cooperate with Freddie Mac at the sole expense and liability of Freddie Mac in connection with Freddie Mac's enforcement of any of such rights and remedies and, except as permitted under the terms of this Agreement, agree not to take any actions that would prejudice the exercise of such rights of subrogation unless in the opinion of Bond Counsel delivered to Issuer, Trustee, and Freddie Mac such action is necessary to preserve the exemption of interest on the Bonds from gross income for federal income tax purposes.

SECTION 12. *Amendment and Waiver.* This Agreement and each provision hereof may be amended to the extent and upon the conditions that the Indenture may be amended by an instrument in writing signed by the parties hereto.

SECTION 13. *Governing Law.* This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the law of the Commonwealth of Virginia.

SECTION 14. *Notices.* All notices, demands, requests, consents, approvals, certificates or other communications ("**Communications**") required under this Agreement shall be in writing, mailed (registered or certified mail, return receipt requested and postage pre-paid), hand-delivered, with signed receipt, or sent by nationally recognized overnight courier (receipt of

which to be evidenced by a signed receipt for overnight delivery service) and shall be sufficiently given and shall be deemed to have been properly given if given in the manner in which notices are to be given and to the addresses as provided in the Indenture. All communications which the Trustee or Issuer is required to send to any other person pursuant to any Bond Document or any Borrower Documents shall also be sent to the Servicer. All communications required to be sent to Freddie Mac or the Servicer pursuant to the terms of any Bond Document and any other Borrower Document shall be sent to the following addresses:

The Issuer: Fairfax County Redevelopment and
Housing Authority
3700 Pender Drive
Fairfax, Virginia 22030
Attention: Thomas Fleetwood
Telephone: (703) 246-5105
Facsimile: (703) 653-7130

with a copy to: Ballard Spahr LLP
1909 K Street, N.W.
12th Floor
Washington, D.C. 20006
Attention: Jeffrey S. Ballard, Esquire
Telephone: (202) 661-7622
Facsimile: (202) 661-2299

The Trustee: The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Corporate Trust
Telephone: (412) 234-3151
Facsimile: (412) 234-8377

Freddie Mac: Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4F
McLean, Virginia 22102
Attention: Director of Multifamily Loan Servicing
Telephone: (703) 903-2000
Facsimile: (703) 714-3003

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Associate General Counsel – Multifamily,
Legal Division
Telephone: (703) 903-2000
Facsimile: (703) 903-2885

with a copy to: Federal Home Loan Mortgage Corporation

8100 Jones Branch Drive
Mail Stop B4Q
McLean, Virginia 22102
Attention: Director of Multifamily Loan Accounting
Telephone: (703) 714-4177
Facsimile: (571) 382-4798

The Servicer: Capital One, National Association
2 Bethesda Metro Center, 7th Floor
Bethesda, MD 20814
Attention: Loan Servicer

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to Freddie Mac.

The Trustee agrees to accept and act upon facsimile transmissions of written instructions and/or directions pursuant to this Agreement.

SECTION 15. *Benefit of Agreement.* This Agreement shall be binding upon and inure to the benefit of the Issuer, the Trustee, the Servicer and Freddie Mac and their respective successors and assigns. No other party shall be entitled to any benefits hereunder, whether as a third-party beneficiary or otherwise. This Agreement shall be deemed terminated with respect to Freddie Mac without the necessity for further or confirmatory instruments upon the date the Indenture is released and terminated and all of the Borrower's obligations to Freddie Mac under the Reimbursement Agreement shall have been paid in full.

SECTION 16. *Counterparts.* This Agreement may be executed in any number of counterparts and all of such counterparts shall together constitute one and the same instrument.

SECTION 17. *Acknowledgment and Consent Regarding Reimbursement Mortgage.* The Issuer and the Trustee agree and acknowledge that to the extent the Bond Mortgage grants or reserves to the Borrower any rights that are not granted or reserved to the Borrower under the Reimbursement Mortgage, Borrower must comply with the terms of the Reimbursement Mortgage and a failure to do so shall be an Event of Default under the Reimbursement Agreement.

SECTION 18. *Trustee.* The Trustee accepts the duties imposed upon it by this Agreement and agrees to perform those duties but only upon and subject to the following express terms and conditions:

A. the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee;

B. as to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely in good faith upon a certificate purportedly signed by an authorized signatory of Freddie Mac as sufficient evidence of the facts contained in such certificate;

C. the permissive right of the Trustee to do things enumerated in this Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct;

D. none of the provisions contained in this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement except for any liability of the Trustee arising from its own negligence or willful misconduct;

E. the Trustee is entering into this Agreement solely in its capacity as Trustee under the Indenture and not in its individual or corporate capacity; and

F. all of the provisions of the Indenture related to the duties, obligations, standard of care, protections and immunities from liability afforded the Trustee under the Indenture shall apply to the Trustee under this Agreement.

SECTION 19. *Invalidity.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity of any other provision and all other provisions shall remain in full force and effect.

SECTION 20. *Time is of the Essence.* Time is of the essence of this Agreement.

SECTION 21. *Controlling Instrument.* This Intercreditor Agreement controls over any contrary provisions of the Bond Documents.

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EXHIBIT A

LEGAL DESCRIPTION

[Attach legal description]

RESOLUTION NUMBER 32-24

Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$14,500,000 to Finance the 69-Unit Southwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the “Authority”) is a political subdivision of the Commonwealth of Virginia, established pursuant to the Housing Authority Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”), and is authorized thereby to issue its notes and bonds from time to time to fulfill its public purposes within the meaning of the Act; and

WHEREAS, at the request of Lincoln Avenue Capital (“LAC”) and pursuant to and in accordance with the Act, the Authority desires to issue and sell its multifamily housing revenue bonds or notes in one or more series or subseries in the aggregate principal amount not to exceed \$14,500,000 (the “Bonds”) on a tax-exempt basis, to provide financing for the project to be known as Residences at Government Center 2 – SW4 (the “Project”), located at 12020 Government Center Parkway, Fairfax, Virginia, in the Braddock District; and

WHEREAS, subject to the final terms of sale, the Bonds are expected to consist of one long-term series designated the Authority’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4), Series 2024A (the “Series A Bonds”) and one short-term series designated the Authority’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4), Series 2024B (the “Series B Bonds”), which Series B Bonds are expected to be redeemed in full as a condition to the conversion of the Project from the construction phase to the permanent phase (the “Conversion”); and

WHEREAS, the proceeds of the Bonds will be loaned to a special purpose entity formed by LAC, RGC2 Southwest 4 Owner LLC (the “Borrower”), to finance, together with other sources, the acquisition of a leasehold interest in and construction and equipping of the Project, which is expected to consist of 69 affordable multi-family rental housing units and related community and garage space; and

WHEREAS, Thomas E. Fleetwood, as Assistant Secretary on behalf of the Authority, executed a Declaration of Intent on March 7, 2024, evidencing its intent to issue and sell the Bonds in an aggregate principal amount not to exceed \$14,500,000; and

WHEREAS, the Authority on March 14, 2024, authorized the submission of the proposed Bond financing of the Project to the Fairfax County Board of Supervisors for approval; and

WHEREAS, pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), the Authority is required to hold a public hearing (“TEFRA Hearing”) in connection with issuance of the Bonds on a tax-exempt basis; and

WHEREAS, the Authority held a TEFRA Hearing on March 14, 2024; and

WHEREAS, for purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the proposed financing and issuance of the Bonds was approved by the Fairfax County Board of Supervisors at its meeting held on April 16, 2024; and

WHEREAS, the Project was awarded bond volume capacity not to exceed \$14,500,000 from the Virginia Department of Housing and Community Development; and

WHEREAS, in connection with the initial public sale of the Bonds, the Authority desires to enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with Stifel, Nicolaus and Company, Incorporated (the "Underwriter") and the Borrower; and

WHEREAS, prior to Conversion, the Bonds will be secured 100% by cash collateral, and following Conversion, the Bonds will be secured by a credit facility to be provided by the Federal Home Loan Mortgage Corporation ("Freddie Mac") and a mortgage with respect to the Project; and

WHEREAS, there have been prepared proposed forms of:

(i) the Trust Indenture (the "Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), pursuant to which the Bonds will be issued;

(ii) the Financing Agreement (the "Financing Agreement") by and among the Authority, the Trustee and the Borrower;

(iii) the Land Use Restriction Agreement (the "Land Use Restriction Agreement") by and among the Authority, the Trustee and the Borrower;

(iv) the Bond Purchase Agreement;

(v) the preliminary Official Statement (the "Official Statement") to be used by the Underwriter in connection with the preliminary offering of the Bonds; and

(vi) the Intercreditor Agreement (the "Intercreditor Agreement") by and among the Authority, the Trustee and Freddie Mac to be entered into at the time of Conversion;

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY:

Section 1. **Incorporation of Recitals.** The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

Section 2. **Issuance of the Bonds.** The Commissioners of the Authority (the "Commissioners") hereby authorize the issuance of the Bonds by the Authority, for the

purpose of providing a loan of the proceeds of the Bonds to the Borrower to be used, together with other sources, to: (a) finance or reimburse the cost of the acquisition of a leasehold interest in and construction and equipping of the Project, (b) fund capitalized interest and other related reserves, if any, and (c) pay costs of issuance of the Bonds. The combined aggregate principal amount of the Series A Bonds and the Series B Bonds shall not exceed \$14,500,000. The Bonds shall be issued in authorized denominations as set forth in the Indenture, numbered as the Trustee shall determine, and shall be fully registered without coupons.

The Bonds shall be dated as set forth in the Indenture and approved by the Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority. The Bonds shall mature not more than 22 years from their date of issuance and be sold at a price not less than 100 percent of the principal amount thereof. The Bonds shall bear interest at a fixed rate or rates to be established at the time of pricing and sale of the Bonds not to exceed 7.00% per annum; provided the initial fixed rate established for the Series B Bonds shall be subject to reset to a different interest rate in connection with any remarketing of the Series B Bonds prior to Conversion on the terms set forth in the Indenture.

The Bonds shall be executed on behalf of the Authority by, and bear the manual or facsimile signature of, the Chair or the Vice Chair of the Authority, duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Authority or any other person authorized to do same ("Authorized Representative"), and the seal of the Authority shall be thereunto affixed (or imprinted or engraved if in facsimile).

The Bonds shall be in the form set forth in the Indenture.

Section 3. **Sale of Bonds.** The Authority hereby authorizes the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement.

Section 4. **Limited Obligation.** The Bonds and the interest thereon shall be limited obligations of the Authority, secured by and payable solely from the trust estate pledged under the Indenture.

NEITHER THE COMMISSIONERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY THEREON BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE COUNTY OF FAIRFAX, VIRGINIA, THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) AND NEITHER THE COUNTY OF FAIRFAX, VIRGINIA NOR THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS PLEDGED THERETO UNDER THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Section 5. **Indenture.** The Indenture is hereby approved in the form made available at this meeting. The Chair or the Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Indenture in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Indenture being conclusive evidence of such approval and of the approval of the Authority; and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to attest the signature of the Chair or the Vice Chair to the Indenture and affix the seal of the Authority to the Indenture.

Section 6. **Trustee.** The Bank of New York Mellon Trust Company, N.A. is hereby appointed to act as Trustee for the Bonds under the Indenture. The Indenture may provide that the Trustee thereunder, or another corporate entity, shall act as bond registrar, paying agent and authenticating agent.

Section 7. **Delivery of Bonds.** After execution on behalf of the Authority, the Bonds shall be delivered to the Trustee, which will authenticate and deliver the Bonds to the Underwriter for the benefit of the registered owners thereof.

Section 8. **Bond Counsel.** Ballard Spahr LLP is hereby appointed Bond Counsel in connection with the issuance and sale of the Bonds.

Section 9. **Underwriter.** Stifel, Nicolaus and Company, Incorporated is hereby appointed Underwriter in connection with the issuance and sale of the Bonds.

Section 10. **Remarketing Agent.** Stifel, Nicolaus and Company, Incorporated is hereby appointed as initial Remarketing Agent in connection with any remarketing of the Series B Bonds in accordance with the Indenture.

Section 11. **Bond Purchase Agreement.** The Bond Purchase Agreement is hereby approved in the form made available at this meeting. The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair, the Vice Chair, the Secretary, or an Assistant Secretary, the execution of the Bond Purchase Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 12. **Land Use Restriction Agreement.** The Land Use Restriction Agreement is hereby approved in the form made available at this meeting. The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Land Use Restriction Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority, the execution of the Land Use Restriction Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 13. **Tax Agreement.** The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver on

behalf of the Authority (i) the No Arbitrage Certificate and Tax Agreement (the "Tax Agreement") prepared by Bond Counsel, the execution of such Tax Agreement being conclusive evidence of the approval of the Authority and (ii) an Internal Revenue Service Form 8038 relating to the Bonds prepared by Bond Counsel.

Section 14. **Financing Agreement.** The Financing Agreement is hereby approved in the form made available at this meeting. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Financing Agreement and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to attest the signature of the Chair or the Vice Chair to the Financing Agreement and to affix the seal of the Authority to the Financing Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Financing Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 15. **Intercreditor Agreement.** The Intercreditor Agreement is hereby approved in the form made available at this meeting. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Intercreditor Agreement and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to attest the signature of the Chair or the Vice Chair to the Intercreditor Agreement and to affix the seal of the Authority to the Intercreditor Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Intercreditor Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 16. **Official Statement.** Use by the Underwriter of the Official Statement in substantially the preliminary form made available at this meeting in connection with the preliminary offering of the Bonds by the Underwriter is hereby authorized and approved, with such additions, deletions and modifications to the preliminary Official Statement as may be approved by counsel for the Authority. The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the final Official Statement, the execution of which being conclusive evidence of the approval by the Authority for the use by the Underwriter of the final Official Statement in connection with the offering and sale of the Bonds by the Underwriter.

Section 17. **Registration under "Blue Sky" Laws.** The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority or, in their absence, any Authorized Representative is hereby authorized in the name and on behalf of the Authority to take any and all action, if any, which the Underwriter shall reasonably request and which the Chair, Vice Chair, Secretary or an Assistant Secretary may deem necessary, or advisable, with the advice of counsel for the Authority, in order to effect the registration or qualification (or exemption therefrom) of the Bonds for issue, offer, sale or trade under the "Blue Sky" or securities laws of any of the states of the United States of America and in connection therewith, to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process and other papers and instruments which may be required under such laws, and to take any and all further action

which such officer may deem necessary or advisable in order to maintain any such registration or qualification for as long as the Chair, Vice Chair, Secretary or an Assistant Secretary deems necessary or as required by law or by the Underwriter; provided, however, the Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority shall not consent to service of process in any jurisdiction in which the Authority is not now subject to service of process.

Section 18. **Other Action.** The Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority or any Authorized Representative is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and with respect to the securing, issuance, sale and conversion of the Bonds (including but not limited to the replacement of transaction participants appointed hereby upon their resignation or if circumstances warrant).

Section 19. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Indenture, the Financing Agreement, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Tax Agreement, the Bonds or in any other agreement, certificate or document executed on behalf of the Authority shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Authority in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 20. **Action Approved and Confirmed.** All acts and doings of the Commissioners, officers, agents or employees of the Authority which are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

Section 21. **Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 22. **Repealer; Effective Date.** Any prior resolutions or parts thereof in conflict with this Resolution are to the extent of such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

ADOPTED AND APPROVED this 17th day of October, 2024.

TRUST INDENTURE

Between

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY,
As Issuer

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
As Trustee

Relating to

[\$11,310,000]
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(RESIDENCES AT GOVERNMENT CENTER 2 – SW4)
SERIES 2024A

and

[\$3,190,000]
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(RESIDENCES AT GOVERNMENT CENTER 2 – SW4)
SERIES 2024B

Dated as of October 1, 2024

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TRUST INDENTURE

THIS TRUST INDENTURE (this “Indenture”), is made and entered into as of October 1, 2024, by and between the **Fairfax County Redevelopment and Housing Authority** (the “Issuer”), a political subdivision of the Commonwealth of Virginia (the “State”), and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association, organized and operating under the laws of the United States of America and authorized to accept and execute trusts of the character herein set out, having a corporate trust office in Pittsburgh, Pennsylvania, as trustee (the “Trustee”). Capitalized terms are defined in Section 1.01 of this Indenture.

RECITALS

A. The Issuer has been created and organized pursuant to and in accordance with the provisions of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”) and is permitted under the Act to issue bonds to make loans for assistance in planning, development, acquisition, construction, equipping, repair, renovation and rehabilitation or maintenance of residential buildings and to make loans for assistance in housing acquisition, construction or rehabilitation by private sponsors.

B. Pursuant to, and in accordance with the Act and a resolution of the Issuer adopted on October 17, 2024 and this Indenture, the Issuer has determined to issue and sell its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project) Series 2024A (the “Series A Bonds”) in the original aggregate principal amount of \$[11,310,000] and its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project) Series 2024B (the “Series B Bonds”) and together with the Series A Bonds, the “Bonds”) in the original aggregate principal amount of \$[3,190,000] to provide for the financing of a sixty-nine (69) unit multifamily rental housing development located at 12020 Government Center Parkway, Fairfax, Virginia, to be known as “Residences at Government Center 2 – SW4” (the “Project”).

C. Pursuant to a Financing Agreement dated as of the date hereof (the “Financing Agreement”) among the Issuer, RGC2 Southwest 4 Owner LLC, a limited liability company duly organized and existing under the laws of the State (the “Borrower”), and the Trustee, the Issuer has agreed to use the proceeds derived from the sale of Bonds to make a loan in the aggregate principal amount of \$[14,500,000] (the “Bond Loan”) to the Borrower in connection with the Project.

D. The Borrower has agreed to use the proceeds of the Bond Loan to finance the acquisition of a leasehold interest in and the construction and equipping of the Project.

E. The Borrower’s repayment obligations in respect of the Bond Loan will be evidenced by a multifamily note dated October [31], 2024 (together with all riders and addenda thereto, the “Bond Note”) delivered to the Issuer, which Bond Note will be endorsed by the Issuer to the Trustee.

F. Prior to conversion of the Bond Loan and the Project from the Construction Phase to the Permanent Phase (the “Conversion”), the Bonds will be secured primarily by proceeds of the Bonds and other cash collateral and investments thereof held by the Trustee as provided herein. In addition to Bond proceeds, the Borrower will cause Eligible Funds (as hereinafter defined),

including the proceeds of a construction loan (the “Construction Loan”) from Capital One, National Association, a national banking association (the “Construction Lender”), to be delivered to the Trustee for deposit into the Collateral Fund (as hereinafter defined) from time to time as security for (i) the Series A Bonds and (ii) the Series B Bonds.

G. Federal Home Loan Mortgage Corporation (“Freddie Mac” or the “Credit Facility Provider”), subject to the terms and conditions of its Forward Commitment and the satisfaction on or before the Forward Commitment Maturity Date of the Conditions to Conversion set forth in the Construction Phase Financing Agreement, has agreed that upon Conversion it will provide credit enhancement of the Bond Loan during the Permanent Phase (as hereinafter defined) pursuant and subject to a Credit Enhancement Agreement to be dated as of the Conversion Date, between the Credit Facility Provider and the Trustee (the “Credit Facility”).

H. As Conditions to Conversion, all of the Series B Bonds must be redeemed and the Series A Bonds Outstanding in excess of the Actual Bond Loan Amount (if any) must be redeemed on or prior to the Conversion Date.

I. Upon Conversion, the Trustee will release funds held by it in the Series A Collateral Account to be applied to the repayment of the Construction Loan.

J. The Issuer, the Trustee and the Credit Facility Provider have agreed, the provisions of this Indenture contemplate, and the Bondholders agree by the acceptance of the Series A Bonds under the terms of this Indenture, that if the Servicer issues the Conversion Notice on or before the Forward Commitment Maturity Date, the Credit Facility will be delivered on the Conversion Date and the amounts held in the Series A Collateral Fund will be released in accordance with the provisions of this Indenture.

K. To evidence the Borrower’s reimbursement obligations to the Credit Facility Provider for draws under the Credit Facility, the Borrower and the Credit Facility Provider will enter into a Reimbursement and Security Agreement (the “Reimbursement Agreement”) on or prior to the Conversion Date.

L. To secure the Borrower’s obligations under the Bond Note following the Conversion Date, the Borrower will execute and deliver to the Issuer on the Conversion Date a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Bond Mortgage”) with respect to the Project, which Bond Mortgage will be assigned to the Trustee on the Conversion Date.

M. To secure the Borrower’s reimbursement obligations under the Reimbursement Agreement, on the Conversion Date, the Borrower will execute and deliver to Freddie Mac a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Reimbursement Mortgage”) with respect to the Project.

N. On the Conversion Date, the Issuer, the Trustee and Freddie Mac will enter into an Intercreditor Agreement dated as of the Conversion Date (the “Intercreditor Agreement”) in connection with Freddie Mac’s delivery of the Credit Facility.

O. If the Servicer issues the Conversion Notice prior to the Forward Commitment Maturity Date, the Bond Loan will convert from the Construction Phase to the Permanent Phase.

P. If the Conversion Notice is not issued on or prior to the Forward Commitment Maturity Date (as extended), Conversion will not occur, the Credit Facility Provider will have no obligation to deliver the Credit Facility and the Bonds will be subject to mandatory redemption in accordance with the terms of this Indenture.

Q. The acquisition of a leasehold interest in and the construction, equipping and operation of the Project will be regulated by, among other documents, the terms of the Financing Agreement and the Regulatory Agreement.

R. The Issuer has determined that all things necessary to make the Bonds, when executed by the Issuer and authenticated by the Trustee and issued in accordance with this Indenture, the valid, binding and legal obligations of the Issuer and to constitute this Indenture a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, premium, if any, and interest on, the Bonds, have been duly taken, and the creation, execution and delivery of this Indenture and the execution and delivery of the Bonds, subject to the terms of this Indenture, have been duly authorized by the Issuer.

S. The Trustee has trust powers and the power and authority to enter into this Indenture, to accept trusts generally and to accept and execute the trust created by this Indenture; the Trustee has accepted the trust so created and, to evidence such acceptance, has joined in the execution of this Indenture.

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and following Conversion, the payment to Freddie Mac of the Freddie Mac Reimbursement Amount and the Freddie Mac Credit Enhancement Fee (as such terms are hereinafter defined) in accordance with the provisions hereof and of the Credit Enhancement Agreement and the Reimbursement Agreement, and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, pledge and assign a security interest, unto the Trustee, and its successors in trust and its and their assigns in and to the following (said property being herein referred to as the "Trust Estate"), to wit:

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer in and to all Revenues (other than the Unassigned Rights of the Issuer).

GRANTING CLAUSE SECOND

All right, title and interest of the Issuer in and to the Financing Agreement, the Bond Note and, following the Conversion Date, the Bond Mortgage and the Credit Facility, including all extensions and renewals of the terms thereof, if any (other than the Unassigned Rights of the

Issuer), including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards subject to the interest of the Credit Facility Provider under the Reimbursement Agreement and the Intercreditor Agreement), whether payable under the above-referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer or any other Person is or may become entitled to do under said documents.

GRANTING CLAUSE THIRD

Except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund, the Credit Facility Reimbursement Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds (other than the Unassigned Rights of the Issuer) by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the other Bonds, except as set forth in this Indenture, and for the benefit, security and protection of the Credit Facility Provider to the extent of its interests hereunder and under the Reimbursement Agreement and the Intercreditor Agreement;

PROVIDED, HOWEVER, that if the Issuer or its successors or assigns shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner provided in Article IX hereof and, following Conversion, shall discharge or cause to be discharged any and all obligations to the Credit Facility Provider hereunder and under the Reimbursement Agreement, and if the Issuer shall keep, perform and observe, or cause to be kept, performed and observed, all of its covenants, warranties and agreements contained herein, then these presents and the estate and rights hereby granted shall, at the option of the Issuer, cease, terminate and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, and, subject to the provisions of Sections 4.09, 4.11 and 4.12 hereof and Article IX hereof, reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except for the Rebate Fund and cash held by the Trustee for the payment of interest on and principal of the Bonds or for payment of amounts payable to the Credit Facility Provider; otherwise this Indenture to be and remain in full force and effect and upon the trusts and subject to the covenants and conditions hereinafter set forth.

AND IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto, that the terms and provisions upon which the Bonds are to be issued, executed, authenticated, delivered and secured, and the trusts and conditions upon which the Trust Estate is to be held and disposed of, which said trusts and conditions the Trustee hereby accepts and agrees to discharge, are as follows (except that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not be a general obligation of the Issuer nor a debt or pledge of the faith and credit of the Issuer or the State, but shall be payable solely from the revenues and funds pledged for its payment in accordance with this Indenture):

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. The terms used in this Indenture (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified below:

“Act” means the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended and supplemented from time to time.

“Actual Bond Loan Amount” means the amount of the Bond Loan that will be outstanding on the Conversion Date which shall be computed in accordance with the provisions set forth in the Construction Phase Financing Agreement.

“Administration Fund” means the Administration Fund established by the Trustee pursuant to Section 4.01 hereof.

“Administration Fund Deposit” means the deposit into the Administration Fund to be made by the Borrower with the Trustee on the Delivery Date, which deposit shall equal \$[] and shall be comprised of sources other than the proceeds of the Bonds.

“Authorized Denomination” means (i) with respect to the Series A Bonds, \$5,000 principal amount or any integral multiple thereof within a maturity and (ii) with respect to the Series B Bonds, \$5,000, or any integral multiple of \$1,000 in excess thereof.

“Authorized Officer” means (a) when used with respect to the Issuer, any authorized representative of the Issuer described in the Bond Resolution and such additional Person or Persons, if any, duly designated by the Issuer in writing to act on its behalf, (b) when used with respect to the Borrower, both of Russell Condas and Tyler Conger of the managing member of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Trustee, any Responsible Officer of the Trustee, or any Person who is authorized in writing to take the action in question on behalf of the Trustee, (d) when used with respect to the Servicer, any Person or Persons duly designated by the Servicer in writing to act on its behalf, and (e) when used with respect to the Credit Facility Provider, any Person who is authorized in writing to take the action in question on behalf of the Credit Facility Provider.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor federal statute.

“Bond” or “Bonds” means, individually or collectively as context may dictate, the Series A Bonds and the Series B Bonds.

“Bond Closing Memorandum” means the Bond Closing Memorandum prepared and delivered on or before the Delivery Date signed by the Borrower.

“Bond Counsel” means (a) Ballard Spahr LLP, or (b) any law firm selected by the Issuer and acceptable to the Credit Facility Provider, of nationally recognized standing in matters pertaining to the excludability from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

“Bond Financing Documents” means, collectively, this Indenture, the Bonds, the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Continuing Disclosure Agreement, the Construction Phase Financing Agreement, the Bond Purchase Agreement, the Remarketing Agreement and any Bond Loan Documents not otherwise included in the foregoing list of documents.

“Bond Fund” means the Bond Fund established by the Trustee pursuant to Section 4.01 hereof.

“Bond Loan” means the loan made by the Issuer to the Borrower from the proceeds of the Bonds in the principal amount of \$[14,500,000] pursuant to the Financing Agreement.

“Bond Loan Documents” means the Bond Note, the Financing Agreement, the Regulatory Agreement, and following Conversion, the Bond Mortgage, any Custodial Escrow Agreement, the Credit Facility, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement, the Pledge Agreement and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Bond Loan or any portion thereof, or evidencing, securing or otherwise relating to the Borrower’s obligations to the Credit Facility Provider in connection with the delivery of the Credit Facility.

“Bond Mortgage” means, with respect to the Series A Bonds, on and following the Conversion Date, the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date, together with all riders and addenda thereto, granting a first priority mortgage and security interest in the Project to the Issuer to secure the repayment of the Bond Loan outstanding on the Conversion Date which Bond Mortgage will be assigned by the Issuer to the Trustee, as the same may be amended, supplemented or restated.

“Bond Note” means the Multifamily Note equal to the principal amount of the Bonds dated the Delivery Date from the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Bond Loan, as the same may be amended, supplemented or restated from time to time, which Bond Note will be delivered to the Issuer and endorsed by the Issuer to the Trustee.

“Bond Proceeds Fund” means the Bond Proceeds Fund (and any subaccounts thereunder) established by the Trustee pursuant to Section 4.01 hereof.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated as of October [], 2024, among the Underwriter, the Issuer and the Borrower.

“Bond Register” means the books or other records maintained by the Bond Registrar setting forth the registered Holders from time to time of the Bonds.

“Bond Registrar” means the Trustee acting as such, and any other bond registrar appointed pursuant to this Indenture.

“Bond Resolution” means the resolution adopted by the Issuer on October 17, 2024 authorizing the issuance of the Bonds.

“Bond Year” means, with respect to an issue of Bonds, each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Bond Years may be short periods. If no day is selected by Borrower before the earlier of the final maturity of an issue of Bonds or the date that is five years after the Delivery Date of such issue of Bonds, each Bond Year ends on each anniversary of the Delivery Date for such issue of Bonds and on the final maturity of such issue of Bonds.

“Bondholder” or “Holder” or “Owner” means any Person who shall be the registered owner of any Outstanding Bond or Bonds.

“Borrower” means RGC2 Southwest 4 Owner LLC, a limited liability company duly organized and existing under the laws of the State, or any of its permitted successors or assigns, as owner of the Project.

“Business Day” means (1) any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York (or other agent acting as the Credit Facility Provider’s fiscal agent identified to the Trustee) is authorized or obligated by law or executive order to remain closed, (d) a day on which the Principal Office of the Credit Facility Provider is closed, or (2) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee or the Credit Facility Provider is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

“Cash Flow Projection” means cashflow projections prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, establishing, to the satisfaction of the Rating Agency, as applicable, that (a) the amounts on deposit with the Trustee in the applicable account of the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund, (b) projected Investment Income to accrue on amounts on deposit in the applicable Bond Proceeds Fund, the Collateral Fund and the Revenue Fund during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower are sufficient to pay, as applicable, (i) amounts due and payable on the Bonds on each payment date with respect thereto, (ii) the costs of any proposed remarketing of the Series B Bonds, as provided in Section 3.10 hereof, (iii) in the event that the

Trustee intends to sell or otherwise dispose of Qualified Investments prior to maturity at a price below par, as described in Section 4.08 hereof, (iv) the purchase, sale or exchange of Qualified Investments as provided in Section 4.08 hereof, or (v) the extension of the Conversion Date Deadline as set forth in Section 3.11 hereof. The cost and expense of obtaining such Cash Flow Projections shall be the sole responsibility of the Borrower.

“Certificate of the Issuer” and “Request of the Issuer” mean, respectively, a written certificate or request signed in the name of the Issuer by an Authorized Officer of the Issuer or such other Person as may be designated and authorized to sign for the Issuer. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Collateral Fund” means the Collateral Fund (and any accounts thereunder) created and so designation in Section 4.01 hereof.

“Conditions to Conversion” has the meaning given to that term in the Construction Phase Financing Agreement.

“Construction Lender” means Capital One, National Association, a national banking association, its successors and assigns, in such capacity.

“Construction Loan” means the loan made by the Construction Lender to the Borrower in the original principal amount of up to \$[20,070,912].

“Construction Loan Documents” means the documents executed and delivered in connection with the Construction Loan, including, without limitation, the promissory note and mortgage evidencing the Construction Loan.

“Construction Phase” has the meaning given to that term in the Construction Phase Financing Agreement.

“Construction Phase Financing Agreement” means the Construction Phase Financing Agreement dated as of the date hereof, by and among Freddie Mac, the Servicer and the Construction Lender and approved and acknowledged by the Borrower, as such agreement may be amended, modified, supplemented or restated from time to time.

“Continuing Disclosure Agreement” means an agreement to be entered into by the Borrower and the Dissemination Agent, as such Continuing Disclosure Agreement may from time to time be amended or supplemented.

“Conversion” means the conversion of the Bond Loan from the Construction Phase to the Permanent Phase.

“Conversion Date” means the date of the Conversion of the Bond Loan specified as such in the Conversion Notice, which date must be a Business Day at least fifteen (15) days following the date on which the Conversion Notice is issued by the Servicer or such other date as is approved by Freddie Mac; provided, however, the Conversion Date shall occur hereunder no earlier than [May 1, 2027].

“Conversion Date Deadline” means the Forward Commitment Maturity Date, as such date may be extended pursuant to Section 3.11 hereof.

“Conversion Notice” means a written notice by the Servicer to the Issuer, the Trustee, the Borrower, and the Credit Facility Provider given prior to the Forward Commitment Maturity Date and in accordance with the terms of the Forward Commitment (a) stating that each of the Conditions to Conversion has been satisfied prior to the Forward Commitment Maturity Date or, if any Condition to Conversion has not been satisfied prior to the Forward Commitment Maturity Date, has been waived in writing by the Credit Facility Provider, and (b) specifying the Conversion Date.

“Cost,” “Costs” or “Costs of the Project” means costs paid with respect to the Project that (i) are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Issuer to reimburse costs of the Project with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Bonds such costs were (A) costs of issuance of the Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Project that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project is being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), “Cost,” “Costs” or “Costs of the Project” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, construction or equipping of the Project or payments received by such Affiliate due to early completion of the Project (or any portion thereof).

“Cost of Issuance Fund” means the Cost of Issuance Fund (and any subaccounts thereunder) established by the Trustee pursuant to Section 4.01 hereof.

“Costs of Issuance” means (i) the fees (excluding ongoing fees), costs and expenses of (a) the Issuer, the Issuer’s counsel and the Issuer’s financial advisor, (b) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriter’s counsel, (c) Bond Counsel, (d) the Trustee and the Trustee’s counsel, (e) the Servicer and the Servicer’s counsel, (f) the Credit Facility Provider and the Credit Facility Provider’s counsel, (g) Borrower’s counsel attributable to the issuance of the Bonds and the Borrower’s financial advisor, if any, and (h) the Rating Agency, (ii) costs of printing the offering documents relating to the sale of the Bonds and (iii) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Trustee on the Delivery Date, which deposit shall equal \$[_____] and shall be comprised of sources other than the proceeds of the Bonds.

“Credit Enhancement Agreement” means the Credit Enhancement Agreement dated as of the Conversion Date between Freddie Mac and the Trustee, as such Credit Enhancement Agreement may from time to time be amended or supplemented.

“Credit Facility” means the Credit Enhancement Agreement.

“Credit Facility Account” means the Credit Facility Account of the Revenue Fund established by the Trustee pursuant to Section 4.01 hereof.

“Credit Facility Interest Reimbursement Account” means the Credit Facility Interest Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to Section 4.01 hereof.

“Credit Facility Principal Reimbursement Account” means the Credit Facility Principal Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to Section 4.01 hereof.

“Credit Facility Provider” means Freddie Mac in its capacity as the provider of the Credit Facility, or its successors or assigns.

“Credit Facility Reimbursement Fund” means the Credit Facility Reimbursement Fund (and any subaccounts thereunder) established by the Trustee, for the benefit of Freddie Mac, pursuant to Section 4.01 hereof.

“Custodial Escrow Account” means, collectively, the account or accounts established and held by the Servicer, in accordance with the Guide or otherwise, for the purpose of funding (a) escrows for taxes, insurance and related payments and costs, if required by the Credit Facility Provider, (b) a reserve for replacements for the Project, if required by the Credit Facility Provider, and (c) a debt service reserve for the Bond Loan, if required by the Credit Facility Provider.

“Custodial Escrow Agreement” means any agreement (which agreement may be the Guide or the Commitment as applicable) pursuant to which a Custodial Escrow Account is established and maintained.

“Custodian” means The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely in its capacity as collateral agent for the Credit Facility Provider under the Pledge Agreement, and any successor in such capacity.

“Delivery Date” means October [31], 2024, the date of initial delivery of the Bonds to the initial purchasers thereof against payment therefor.

“Dissemination Agent” means initially the Trustee, or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

“Dissemination Agent’s Fee” means the annual or semi-annual fees to the Dissemination Agent as compensation for the Dissemination Agent’s services under the Continuing Disclosure Agreement, which fee(s) shall not exceed \$[_____] during any twelve-month period which fee shall be paid directly by the Borrower and not from any funds held hereunder.

“DTC” means The Depository Trust Company, New York, New York, as initial Securities Depository for the Bonds pursuant to Section 2.12 hereof or its successors.

“Electronic Notice” means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 11.05 hereof; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 11.05 hereof.

“Eligible Funds” means, as of any date of determination, any of:

(a) with respect to the Series A Bonds, following the Conversion Date, proceeds received from draws on the Credit Facility;

(b) proceeds of the Bonds received contemporaneously with the issuance and sale of the Bonds or any other amount received by the Trustee from the Underwriter or the Remarketing Agent;

(c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Construction Loan;

(d) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 544, 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period;

(f) moneys drawn on a letter of credit; and

(g) Investment Income derived from the investment of moneys described in (a), through (f) above.

“Eligible Funds Provider” means the Construction Lender or such other party delivering Eligible Funds to the Trustee for deposit to the Collateral Fund as set forth in Section 4.17 hereof.

“Event of Default” or “event of default” means any of those events specified in and defined by the applicable provisions of Article VI hereof to constitute an event of default.

“Extension Deposit” means the deposit of Eligible Funds (a) with respect to the Series A Bonds, as described in Section 3.11 hereof and which shall be determined by a Cash Flow Projection, and (b) with respect to the Series B Bonds, the amount due, if any, to provide adequate additional funds for the payment of principal and interest due with respect to the Series B Bonds during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to Section 3.10 hereof, and which shall be determined by a Cash Flow Projection.

“Extraordinary Issuer Fees and Expenses” means the expenses and disbursements payable to the Issuer under this Indenture or the other Bond Financing Documents for Extraordinary Services, including extraordinary fees, costs and expenses incurred by Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to Section 4.2 of the Financing Agreement.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all reasonable expenses (including, but not limited to, attorney’s fees, costs and expenses) properly incurred by the Trustee, including in its capacity as Paying Agent and Bond Registrar, or the Issuer under this Indenture or the other Bond Financing Documents, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Servicing Fees and Expenses” means all fees and expenses of the Servicer under the Guide during any Bond Year in excess of Ordinary Servicing Fees and Expenses.

“Extraordinary Trustee’s Fees and Expenses” means the expenses and disbursements payable to the Trustee under this Indenture or the other Bond Financing Documents for Extraordinary Services, including extraordinary fees, costs and expenses incurred by counsel to the Trustee which are to be paid by the Borrower pursuant to Section 4.2 of the Financing Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the

term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Issuer and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

“Financing Agreement” means the Financing Agreement dated as of the date hereof among the Borrower, the Issuer and the Trustee, as such Financing Agreement may from time to time be amended or supplemented.

“Forward Commitment” means the forward commitment letter dated October [], 2024, between the Credit Facility Provider and the Servicer pursuant to which the Credit Facility Provider has agreed to provide credit enhancement of the Bond Loan effective as of the Conversion Date upon satisfaction of the terms and conditions set forth therein as it may be amended, modified or supplemented from time to time.

“Forward Commitment Maturity Date” means November 1, 2027, subject to extension by the Credit Facility Provider as provided in the Forward Commitment.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“Freddie Mac Credit Enhancement Fee” shall have the meaning given to that term in the Reimbursement Agreement.

“Freddie Mac Credit Enhancement Payment” shall have the meaning given to that term in the Credit Enhancement Agreement.

“Freddie Mac Reimbursement Amount” shall have the meaning given to that term in the Reimbursement Agreement.

“Government Obligations” means investments meeting the requirements of clause (ii)(a) or (b) of the definition of “Qualified Investments” herein.

“Guaranteed Payment” shall have the meaning given to that term in the Credit Enhancement Agreement.

“Guide” means the Freddie Mac Multifamily Seller/Servicer Guide, as the same may be amended, modified or supplemented from time to time.

“Indenture” means this Trust Indenture, as the same may have been from time to time amended or modified, together with any other indentures supplemental hereto.

“Initial Collateral Fund Deposit” means Eligible Funds in the amount of \$[51,000].

“Initial Series B Interest Rate” means, with respect to the Series B Bonds, []% per annum.

“Information Service” means in accordance with then-current guidelines of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor entity or entities designated by the Securities and Exchange Commission.

“Initial Mandatory Tender Date” means, with respect to the Series B Bonds, November 1, 2027.

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Series B Bonds on such date, as provided in Section 3.10 hereof, are satisfied.

“Intercreditor Agreement” means the Intercreditor Agreement dated as of the Conversion Date among the Issuer, the Trustee and Freddie Mac, as the same may be amended or supplemented.

“Interest Payment Date” means (i) November 1 and May 1 of each year, beginning on May 1, 2025, (ii) for Bonds subject to redemption but only with respect to such Bonds, the date of redemption (or purchase in lieu of redemption), (iii) for the Series B Bonds subject to mandatory tender on a Mandatory Tender Date but only with respect to such Series B Bonds, the Mandatory Tender Date and (iv) the Maturity Date.

“Investment Income” means the earnings and profits derived from the investment of money pursuant to Section 4.08 hereof.

“Investor Member” means Hudson RGC2 Southwest 4 LLC, its successors and assigns.

“Issuer” means the Fairfax County Redevelopment and Housing Authority, a political subdivision of the State, and any successor to its power and duties under the Act.

“Issuer Fees and Expenses” means, collectively, the Ordinary Issuer Fees and Expenses and the Extraordinary Issuer Fees and Expenses.

“Letter of Representations” means when all the Bonds are Book-Entry Bonds, the Blanket Letter of Representations executed by the Issuer and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Mandatory Tender Date” means with respect to the Series B Bonds, (a) the Initial Mandatory Tender Date and (b) if the Series B Bonds Outstanding on such date or on any

subsequent Mandatory Tender Date are remarketed pursuant to Section 3.10 hereof for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Market Risk Event” means (a) legislation enacted by the Congress, (b) a final non-appealable decision rendered by a court established under Article III of the Constitution of the United States of America, or the United States Tax Court, or (c) an order, ruling or regulation issued by the United States Department of the Treasury or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing interest received by any Bondholder (other than a Bondholder who is a “substantial user” of the Project or a “related person” of a substantial user (each within the meaning of Section 147(a) of the Code)) to be included in the gross income of such Bondholder for purposes of federal income taxation.

“Maturity Date” means each applicable maturity date for the Bonds as set forth in Section 2.01(c).

“Maximum Rate” means the lesser of 15% per annum or the highest rate of interest that may be paid under the laws of the State.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Negative Arbitrage Deposit” means individually or collectively, as applicable, the Series A Negative Arbitrage Deposit and the Series B Negative Arbitrage Deposit.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“Ordinary Issuer Fees and Expenses” means:

(a) the origination fee of the Issuer in the amount of \$[118,000] due and payable on the Delivery Date;

(b) the upfront monitoring fee of the Issuer for the Series B Bonds in the amount of \$65,000 per annum for the period commencing on the Delivery Date until the Initial Mandatory Tender Date (totaling \$195,000), due and payable on the Delivery Date (and if the Series B Bonds are remarketed to another extended Mandatory Tender Date, the allocable portion of such \$65,000 per annum fee corresponding to such extended period, due and payable on the date of such remarketing and extension); and

(c) the ongoing monitoring fee of the Issuer for the Series A Bonds in the amount of 0.25% per annum of the outstanding principal amount of the Series A Bonds payable on a monthly basis commencing December 1, 2024 and the first day of each month thereafter from amounts transferred or deposited to the Administration Fund.

“Ordinary Services” and “Ordinary Expenses” means those services normally rendered, and those expenses normally incurred, by a trustee or by a state or municipal issuer of tax-exempt debt under instruments similar to this Indenture.

“Ordinary Servicing Fees and Expenses” means the ordinary fees payable to the Servicer in connection with the servicing of the Bond Loan under the Guide, payable monthly in arrears as provided in the Reimbursement Agreement.

“Ordinary Trustee’s Fees and Expenses” means the annual administration fee for the Trustee’s ordinary fees and expenses in rendering its services under this Indenture during each twelve-month period, which fee is equal to (and shall not exceed) \$4,000 for the Series A Bonds and \$4,000 for the Series B Bonds for as long as such Bonds are Outstanding and shall be payable semi-annually in advance on the Delivery Date and each November 1 thereafter, commencing on November 1, 2025.

“Outstanding” when used with respect to the Bonds or “Bonds Outstanding” means, as of any date, all Bonds that have been duly authenticated and delivered by the Trustee under this Indenture, except:

- (i) Bonds surrendered and replaced upon exchange or transfer, or cancelled because of payment or redemption, at or prior to such date;
- (ii) Bonds for the payment, redemption or purchase for cancellation of which sufficient money has been deposited prior to such date with the Trustee (whether upon or prior to the maturity, amortization or redemption date of any such Bonds), or which are deemed to have been paid and discharged pursuant to the provisions of Section 9.01 hereof; provided that if such Bonds are to be redeemed prior to the maturity thereof, other than by scheduled amortization, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and
- (iii) Bonds in lieu of which others have been authenticated (or payment, when due, of which is made without replacement) under Section 2.07 hereof; and also except that

For the purpose of determining whether the holders of the requisite amount of Bonds Outstanding have made or concurred in any notice, request, demand, direction, consent, approval, order, waiver, acceptance, appointment or other instrument or communication under or pursuant to this Indenture, Bonds known to the Trustee to be owned by or for the account of the Borrower or any Person owned, controlled by, under common control with or controlling the Borrower shall be disregarded and deemed to be not Outstanding, unless all Bonds shall be so owned, and provided that the Trustee has knowledge of the foregoing; provided, further, that all Purchased Bonds shall be deemed to be Outstanding, and the Trustee shall follow any direction provided by the Credit Facility Provider with respect to Purchased Bonds for the purposes hereof (Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee’s right to vote such Bonds, and in the event of a dispute

as to the existence of such right, any decision by the Trustee taken upon the advice of counsel shall constitute full protection to the Trustee). The term “control” (including the terms “controlling”, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Beneficial ownership of 5% or more of a class of securities having general voting power to elect a majority of the board of directors of a corporation shall be conclusive evidence of control of such corporation.

“Paying Agent” means the Trustee acting as such, or any other paying agent appointed pursuant to this Indenture.

“Permanent Phase” has the meaning given to that term in the Construction Phase Financing Agreement.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated association, a limited liability company or a government or any agency or political subdivision thereof, or any other organization or entity (whether governmental or private).

“Pledge Agreement” means that certain Pledge, Security and Custody Agreement dated the Conversion Date by and among Freddie Mac, the Custodian, and the Borrower, as originally executed or as modified or amended from time to time.

“Principal Office of the Credit Facility Provider” means the office of Freddie Mac located at 8100 Jones Branch Drive, McLean, Virginia 22102, or such other office or offices as Freddie Mac may designate in writing from time to time.

“Principal Office of the Trustee” means the office of the Trustee referenced in Section 11.05(a) hereof, or such other office or offices as the Trustee may designate in writing from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

“Project” means, collectively, the land and residential rental apartment units, and related fixtures, equipment, furnishings and site improvements known as “Residences at Government Center 2 – SW4” located at 12020 Government Center Parkway, Fairfax, Virginia 22035.

“Purchased Bond” means on and after the Conversion Date, any Series A Bond during the period from and including the date of its purchase by the Trustee on behalf of the Borrower pursuant to Section 3.06 hereof with amounts provided by the Credit Facility Provider under the Credit Facility, to, but excluding, the date on which such Series A Bond is (a) transferred pursuant to and in accordance with Section 3.06 hereof or (b) redeemed or otherwise cancelled.

“Purchase Price” means, with respect to any Bond to be purchased pursuant to Section 3.06 hereof, the principal amount of such Bond plus any redemption premium due thereon plus interest accrued thereon to the Settlement Date.

“Purchased Bonds Account” means the Purchased Bonds Account of the Bond Fund established by the Trustee pursuant to Section 4.01 hereof.

“Qualified Investments” means:

i. prior to Conversion, any of the following if and to the extent permitted by law: (a) noncallable, non-redeemable direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof; (c) shares or units in any money market mutual fund rated “Aaa-mf” by the Rating Agency (or the equivalent highest rating (as defined below) given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America; and (c) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Trustee or such other institution has been rated at least “VMIG-1”/“A-1+” by the Rating Agency which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; and

ii. on or following Conversion, any of the following if and to the extent permitted by law: (a) noncallable, non-redeemable direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof; (c) shares or units in any money market mutual fund rated “Aaa-mf” by the Rating Agency (or the equivalent highest rating (as defined below) given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America; (d) senior debt obligations of Freddie Mac; (e) senior debt obligations of Fannie Mae; (f) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Trustee or such other institution has been rated at least “VMIG-1”/“A-1+” by the Rating Agency which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (g) investment agreements with Freddie Mac or a bank or any insurance company or other financial institution which has a rating assigned by the Rating Agency to its outstanding

long-term unsecured debt which is the highest rating (as defined below) for long-term unsecured debt obligations assigned by the Rating Agency, and which are approved by the Credit Facility Provider; (h)(i) tax-exempt obligations rated in the highest short term rating category by the Rating Agency, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AAA” by the Rating Agency (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Trustee or its affiliates receive a fee for investment advisory or other services to the fund; or (i) on and after the Conversion Date, any other investments approved in writing by the Credit Facility Provider.

For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG-1”/“A-1+” for obligations with less than one year maturity; at least “Aaa”/“VMIG-1”/“AAA”/“A-1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/“AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index.

“Rating Agency” means Moody’s, or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“Rating Category” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Qualified Investment.

“Rebate Analyst” means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Issuer, to make the computations required under this Indenture and the Financing Agreement. Initially, the Rebate Analyst will be Tiber Hudson LLC.

“Rebate Fund” means the Rebate Fund established by the Trustee pursuant to Section 4.01 hereof.

“Record Date” means the 15th day of the month preceding the month in which any Interest Payment Date falls.

“Redemption Fund” means the Redemption Fund established by the Trustee pursuant to Section 4.01 hereof.

“Regulatory Agreement” means the Land Use Restriction Agreement dated as of October 1, 2024 among the Issuer, the Trustee and the Borrower.

“Reimbursement Agreement” means the Reimbursement and Security Agreement dated the Conversion Date between the Borrower and Freddie Mac, as the same may be amended, supplemented or restated from time to time.

“Reimbursement Mortgage” means, the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated the Conversion Date, from the Borrower to Freddie Mac, together with all riders and addenda thereto, granting a second priority mortgage and security interest in the Project to Freddie Mac to secure the obligations of the Borrower under the Reimbursement Agreement and all documents related thereto, as the same may be amended, supplemented or restated from time to time.

“Reimbursement Security Documents” has the meaning given to that term in the Reimbursement Agreement.

“Remarketing Agent” means with respect to the Series B Bonds, initially, Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of Article VII hereof) that may be appointed by the Borrower.

“Remarketing Agent’s Fee” means the fee of the Remarketing Agent for its remarketing services. The Remarketing Agent’s Fee shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Remarketing Agreement” means the Remarketing Agreement dated as of the date hereof, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means with respect to the Series B Bonds, the Initial Remarketing Date and, if the Series B Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to Section 3.09 for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses, other than those set forth in Section 4.2 of the Financing Agreement, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel and the Dissemination Agent in connection with the remarketing of the Series B Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, the cost of any Cash Flow Projections or other verification reports, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Series B Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Member, the Special Member, the Construction Lender and the Servicer.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Series B Bonds are remarketed pursuant to Section 3.09 or the final Series B Bond Maturity Date of the Series B Bonds, as applicable.

“Remarketing Rate” means the interest rate or rates established pursuant to Section 3.10(c) and borne by the Series B Bonds Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Series B Bond Maturity Date of the Series B Bonds, as applicable.

“Requisition” means, with respect to the applicable Bond Proceeds Fund, the requisition in the form of **Exhibit C** to this Indenture required to be submitted in connection with disbursements from the applicable account of the Bond Proceeds Fund, and with respect to the Cost of Issuance Fund, the requisition in the form of **Exhibit B** to this Indenture required to be submitted in connection with disbursements from the Cost of Issuance Fund. Such Requisition for the Bond Proceeds Fund shall be signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Eligible Funds Provider (signifying the consent to the Requisition by the Eligible Funds Provider).

“Responsible Officer” means any officer of the Trustee employed within or otherwise having regular responsibility in connection with the corporate trust department of the Trustee and the trusts created hereunder.

“Revenue Fund” means the Revenue Fund (and any accounts thereunder) established by the Trustee pursuant to Section 4.01 hereof.

“Revenues” means (a) all payments made with respect to the Bond Loan pursuant to the Financing Agreement, the Bond Note or, on and after the Conversion Date, the Bond Mortgage, including all casualty or other insurance benefits and condemnation awards paid in connection therewith (subject in all events to the interests of the Credit Facility Provider therein under the terms of the Credit Facility and the Reimbursement Security Documents), (b) on and after the Conversion Date, payments made by the Credit Facility Provider pursuant to the Credit Facility, and (c) all money and securities held by the Trustee in the funds and accounts established pursuant to this Indenture (excluding money or securities designated for deposit into and held in the Cost of Issuance Fund, the Administration Fund, the Credit Facility Reimbursement Fund and the Rebate Fund), together with all investment earnings thereon.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Securities Depository” means (a) The Depository Trust Company; or (b) any replacement registered securities depository which has been designated in a Certificate of the Issuer delivered to the Trustee and the Credit Facility Provider pursuant to Section 2.12 hereof.

“Series A Bond Maturity Date” means November 1, 2044.

“Series A Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project) Series 2024A in the aggregate principal amount of \$[11,310,000] authorized under, secured by and issued pursuant to this Indenture.

“Series A Negative Arbitrage Deposit” means Eligible Funds in the amount of \$[_____] to be deposited on the Delivery Date into the Series A Negative Arbitrage Account in the Revenue Fund and as otherwise set forth in the Bond Closing Memorandum.

“Series A Project Account” means the Series A Project Account of the Bond Proceeds Fund established by the Trustee pursuant to Section 2.11 hereof.

“Series B Bond Maturity Date” means [November 1, 2028].

“Series B Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project) Series 2024B in the aggregate principal amount of \$[3,190,000] authorized under, secured by and issued pursuant to this Indenture.

“Series B Negative Arbitrage Deposit” means Eligible Funds in the amount of \$[_____] to be deposited on the Delivery Date into the Series B Negative Arbitrage Account in the Revenue Fund and as otherwise set forth in the Bond Closing Memorandum.

“Series B Project Account” means the Series B Project Account of the Bond Proceeds Fund established by the Trustee pursuant to Section 2.11 hereof.

“Servicer” means the eligible servicing institution designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Loan), or its successor, as servicer of the Bond Loan, following Conversion. Initially, the Servicer shall be Capital One, National Association.

“Settlement Date” means any date on which any Bond is purchased or deemed purchased pursuant to Section 3.06 hereof.

“Special Member” means Hudson SLP LLC, its successor and assigns.

“State” means the Commonwealth of Virginia.

“Tax Certificate” means the Tax Compliance Agreement and No Arbitrage Certificate dated as of the Delivery Date, by and between the Borrower and the Issuer.

“Trustee” means The Bank of New York Mellon Trust Company, N.A. and its successors in trust hereunder.

“Trust Estate” shall have the meaning given to that term in the granting clauses of this Indenture.

“Unassigned Rights” means (a) all rights which the Issuer and its officers, officials, directors, agents and employees may have under this Indenture, the Financing Agreement and the Regulatory Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, directors, agents or employees; (b) the right of the Issuer to give and receive notices, reports, certifications, or other information hereunder, under the Financing Agreement and under the Regulatory Agreement; (c) the right of the Issuer to receive its fees and expenses; (d) the Issuer’s approval rights; (e) the rights

of the Issuer with respect to inspections; (f) the rights of the Issuer with respect to publicity and signage; (g) the notification, indemnification and enforcement rights of the Issuer in Section 6 of the Financing Agreement; (h) the rights of the Issuer with respect to limited liability; (i) all rights of the Issuer to enforce the covenants and agreements and to take action for the breach of any representation or warranty of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excludable from gross income for federal income tax purposes, as are set forth in any of the Bond Financing Documents, including any certificate or agreement executed by the Borrower; (j) all rights of the Issuer in connection with any amendment to or modification of any of this Indenture and the Financing Agreement, or the Regulatory Agreement insofar as any such amendment or modification would affect the Unassigned Rights of the Issuer; and (k) all enforcement rights with respect to the foregoing. All of the foregoing rights of the Issuer under this Indenture, the Financing Agreement and the Regulatory Agreement are reserved to the Issuer, as none of these rights under this Indenture, the Financing Agreement or the Regulatory Agreement are being assigned by the Issuer to the Trustee.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

“Wrongful Dishonor” means the failure of the Credit Facility Provider to honor a draw made in accordance with the terms of the Credit Facility (which draw strictly complies with, and conforms to, the terms and conditions of the Credit Facility).

Section 1.02 Interpretation. The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. References to Articles, Sections, and other subdivisions of this Indenture are to the designated Articles, Sections and other subdivisions of this Indenture as originally executed. The headings of this Indenture are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

THE BONDS

Section 2.01 The Bonds.

(a) The Bonds are authorized to be issued hereunder as revenue bonds of the Issuer in accordance with the Bond Resolution. The Bonds shall be issued in two series designated “**Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A**” and “**Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B**”. The Bonds shall be fully registered as to principal and interest, without coupons, and shall be numbered by series, if any, in the manner and with any additional designation as the Trustee, as Bond Registrar, deems necessary for the

purpose of identification. All of the Bonds are equally and ratably secured. Bonds issued on the Delivery Date shall be dated such date; Bonds issued after the Delivery Date shall be dated the date they are authenticated by the Trustee. The Bonds shall be due and payable in full on their Maturity Dates. The Series B Bonds shall be subject to mandatory tender on each Mandatory Tender Date.

(b) The Series A Bonds shall bear interest from the Delivery Date at the fixed interest rate provided in Section 2.01(c) below. The Series B Bonds shall bear interest from the Delivery Date to but not including the Initial Mandatory Tender Date, at a rate per annum equal to the Initial Series B Interest Rate and during each subsequent Remarketing Period, at a rate per annum equal to the Remarketing Rate; provided, however, that in no event shall interest paid on the Series B Bonds exceed the Maximum Rate. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds shall be payable on each Interest Payment Date, in each case from the Interest Payment Date next preceding the date of authentication thereof to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of the Bond, or unless no interest has been paid or duly provided for on the Bonds, in which case from the Delivery Date, until payment of the principal of the Bond has been made or duly provided for. Notwithstanding the foregoing, if a Bond is authenticated after a Record Date and before the following Interest Payment Date, such Bond shall bear interest from such Interest Payment Date; provided, however, that if there shall be a default in the payment of interest due on such Interest Payment Date, then the Bonds shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on the Bonds, from the Delivery Date.

(c) The Bonds shall be issued in Authorized Denominations and shall bear interest payable on each Interest Payment Date at the rates per annum and shall mature, subject to redemption prior to maturity as provided in Article III hereof, on the dates set forth in the schedule below:

SERIES A BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
November 1, 2024	[\$11,310,000]	

SERIES B BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Initial Interest Rate</u>
[November 1, 2028]	[\$3,190,000]	

(d) The Person in whose name any Bond is registered on the Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is

prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent the Issuer shall default in the payment of the interest due on any Interest Payment Date, such defaulted interest shall be paid as provided in the next paragraph.

(e) Any interest on any Bond that is due and payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called “Defaulted Interest”) shall forthwith cease to be payable to the person in whose name such Bond is registered on the relevant Record Date and shall be paid in the manner set forth in this paragraph. The Trustee may elect to make payment of any Defaulted Interest to the Persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on a special record date for the payment of such Defaulted Interest (a “Special Record Date”), which shall be fixed in the following manner. The Trustee shall determine the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (a “Special Interest Payment Date”), shall fix a Special Record Date for the payment of such Defaulted Interest (which shall be not more than 15 nor less than 10 days prior to the Special Interest Payment Date) and shall cause notice of the Special Record Date and the proposed payment of such Defaulted Interest on the Special Interest Payment Date therefor to be mailed, first class, postage prepaid, to each Bondholder at such Bondholder’s address as it appears in the Bond Register not less than 10 days prior to such Special Record Date; notice of the proposed payment of such Defaulted Interest on the Special Interest Payment Date and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective predecessor Bonds) are registered on such Special Record Date.

(f) Subject to Section 2.12, payment of principal of, premium, if any, and interest on the Bonds shall be paid by check mailed on the Interest Payment Date to the registered Owner thereof at such registered Owner’s address as it appears on the Bond Register on the Record Date. Upon written request of a registered Owner of at least \$1,000,000 in principal amount of Bonds Outstanding received by the Trustee at least five (5) Business Days prior to a Record Date, all payments of principal, premium, if any, and interest on the Bonds, less any reasonable wire transfer fees imposed by the Trustee, shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such registered Owner.

(g) On or before the date fixed for redemption, money shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such money to the payment of, the Bonds or portions thereof called for redemption, together with accrued interest thereon to the redemption date. CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, redemption price, premium, if any, and interest, whether by check or by wire transfer.

(h) No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder, or in substitution for other Bonds pursuant to Section 2.07 or Section 2.08 hereof, is expressly limited to \$[14,500,000].

Section 2.02 Intentionally Omitted.

Section 2.03 Limited Obligations. The Bonds, and the premium, if any, and interest thereon, are limited obligations of the Issuer, the principal of, premium, if any, and interest on which are secured by and payable solely from the Trust Estate.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THIS INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Section 2.04 Indenture Constitutes Contract. In consideration of the purchase and acceptance of the Bonds issued hereunder by those who shall hold them from time to time, the provisions of this Indenture shall be part of the contract of the Issuer with the Holders of the Bonds and shall be deemed to be a contract between the Issuer and the Holders of the Bonds from time to time.

Section 2.05 Form and Execution. The Bonds shall be in substantially the forms attached as **Exhibit A-1** with respect to the Series A Bonds and **Exhibit A-2** with respect to the Series B Bonds, with necessary and appropriate variations, omissions and insertions as are customary, permitted or required by this Indenture. Each Bond shall be signed by the Chair or Vice Chair and attested by the Secretary or an Assistant Secretary of the Issuer in their official capacities (provided that any or all of those signatures may be facsimiles). In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be that officer before the issuance of the Bond, such signature or the facsimile thereof nevertheless shall be valid and sufficient for all purposes, the same as if he or she had remained in office until that time. Any Bond may be executed on behalf of the Issuer by an officer who, on the date of execution is the proper officer, although on the date of the Bond that person was not the proper officer.

Section 2.06 Authentication. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless a certificate of authentication on such Bond, substantially in the forms set forth in **Exhibit A-1** and **Exhibit A-2**, shall have been duly

executed by an Authorized Officer of the Trustee; and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been duly executed, registered, authenticated and delivered under this Indenture. It shall not be necessary that the same Person sign the certificate of authentication on all of the Bonds.

Section 2.07 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of like denomination, interest rate, series, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond or in lieu of and in substitution for such lost, stolen or destroyed Bond, upon payment by the Owner thereof of any applicable tax or governmental charge and the reasonable expenses and charges of the Issuer and the Trustee in connection therewith, and in the case of a Bond lost, stolen or destroyed, the filing with the Trustee of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Issuer and the Trustee with indemnity satisfactory to each of them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond or Bonds the Issuer may pay the same without surrender thereof.

Section 2.08 Transfer and Exchange of Bonds; Persons Treated as Owners. The Trustee as Bond Registrar shall cause a Bond Register to be kept for the registration of transfers of Bonds. Any Bond may be transferred only upon an assignment duly executed by the registered Owner or such registered Owner's duly authorized representative in such form as shall be satisfactory to the Bond Registrar and upon surrender of such Bond to the Trustee for cancellation. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Trustee shall authenticate and deliver to the transferee a replacement fully registered Bond or Bonds, of Authorized Denomination or Denominations and for the amount of such Bond or Bonds so surrendered.

Any Bond may, in accordance with its terms, be exchanged, at the office of the Trustee, for a new fully registered Bond or Bonds, of the same maturity, of any Authorized Denomination or Denominations and for the aggregate amount of such Bond then Outstanding.

In all cases in which Bonds shall be transferred or exchanged hereunder, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the Borrower.

The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered Owner thereof, or such registered Owner's legal representative, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

Neither the Issuer nor the Trustee shall be required to make any such exchange, registration or transfer of Bonds during the period of fifteen (15) days immediately preceding an Interest

Payment Date or, in the case of any proposed redemption of Bonds, during the period of fifteen (15) days immediately preceding the selection of Bonds for such redemption and after the giving of notice of redemption, the Trustee is not required to transfer or exchange any Bond or portion thereof which has been called for redemption.

Section 2.09 Temporary Bonds. Until definitive Bonds are ready for delivery, there may be executed, and upon the request of the Issuer the Trustee shall authenticate and deliver, in lieu of definitive Bonds, temporary printed, typewritten, engraved or lithographed Bonds, in such denomination or denominations as shall be determined by the Issuer, in fully registered form, in substantially the form hereinabove set forth and with such appropriate omissions, insertions and variations as may be required.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it, at the Principal Office of the Trustee, of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond or Bonds, as the case may be, of an equal aggregate principal amount, of the same maturities and bearing interest at the same rates as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder. Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid on presentation of such temporary Bonds and notation of such payment shall be endorsed thereon by the Trustee.

Section 2.10 Delivery of Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to or upon the order of the Issuer upon receipt by the Trustee of the following:

- (a) executed counterparts of this Indenture, the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Construction Phase Financing Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and the Remarketing Agreement;
- (b) the written order and authorization to the Trustee by the Issuer to authenticate and deliver the Bonds to the initial purchasers thereof upon payment to the Trustee, for the account of the Issuer, of the sum specified as the purchase price therefor in such request and authorization;
- (c) an opinion of Bond Counsel or counsel to the Issuer to the effect that the Issuer is duly organized and existing under the laws of the State and has duly authorized, executed and delivered this Indenture and other Bond Financing Documents to which it is a party and the Bonds and that the Bonds are entitled to the benefits of this Indenture and are valid and binding special, limited obligations of the Issuer enforceable in accordance with their terms subject to customary exceptions;
- (d) sale proceeds of the Bonds, together with accrued interest thereon, if any;
- (e) a UCC-1 financing statement for recordation with respect to the Trust Estate;
- (f) the Bond Note;

(g) an opinion of counsel to the Borrower to the effect that the Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which the Borrower transacts business and has full power and authority to enter into the agreements described herein to which it is a party, that its execution and delivery of and performance of its covenants in such agreements do not contravene law or any provision of any other agreement to which it is a party or by which it or such property is bound or affected, and that all such agreements have been duly authorized, executed and delivered by the Borrower, and are legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms;

(h) a customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that the interest on the Bonds, under laws in effect on the date of such opinion, is excluded from gross income for federal income tax purposes and, where applicable, for State income tax purposes;

(i) a certified copy of the Bond Resolution;

(j) receipt by the Trustee of the amounts specified in Section 4.01 of this Indenture and Section 3.3 of the Financing Agreement;

(k) a copy of the rating letter from the Rating Agency evidencing a rating on the Bonds of “Aaa/VMIG 1”; and

(l) the Letter of Representations.

Section 2.11 Establishment of Bond Proceeds Fund; Application of Bond Proceeds and Other Money; Assignment of Bond Loan to Trustee.

(a) The Trustee shall establish, maintain and hold in trust and there is hereby established with the Trustee a Bond Proceeds Fund and therein a Series A Bond Proceeds Account and a Series B Bond Proceeds Account. No amount shall be charged against the Bond Proceeds Fund except as expressly provided in this Section 2.11 and Section 4.02 hereof.

(b) The proceeds of the sale of the Bonds shall be delivered to the Trustee on the Delivery Date. The Trustee shall deposit such proceeds from the Series A Bonds to the credit of the Series A Bond Proceeds Account and from the Series B Bonds to the credit of the Series B Bond Proceeds Account. Amounts in the Bond Proceeds Fund shall be disbursed as provided in subparagraph (d) below, subject to the conditions set forth in Section 3.1 of the Financing Agreement. Upon the disbursement of all amounts in the Bond Proceeds Fund, the Trustee shall close the Bond Proceeds Fund.

(c) The Borrower shall deliver funds as set forth in the Bond Closing Memorandum, on or prior to the Delivery Date, including the Costs of Issuance Deposit, the Administration Fund Deposit and the Initial Collateral Fund Deposit, and any other amount set forth therein, for deposit with the Trustee and/or the title company.

(d) Upon the deposit of money to the credit of the Bond Proceeds Fund, the Issuer shall originate the Bond Loan pursuant to the Financing Agreement and the Trustee shall make

disbursements of amounts in the Bond Proceeds Fund to the Borrower or otherwise as provided in Section 4.02 hereof.

Section 2.12 Book-Entry Only System of Registration.

(a) Notwithstanding the foregoing provisions of this Article II, each of the Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Except as provided in subparagraph (g) below, all of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Trustee shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such nominee or nominees of DTC. No Person other than DTC or its nominee or any “FAST” agent for DTC shall be entitled to receive from the Issuer or the Trustee either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the Bond Register in connection with discontinuing the book entry system as provided in paragraph (f) below or otherwise.

(b) With respect to Bonds registered in the registry books kept by the Trustee in the name of Cede, as nominee of DTC, the Issuer and the Trustee shall have no responsibility or obligation to any participant of DTC (a “**Participant**”) or to any person for whom a Participant acquires an interest in the Bonds (a “**Beneficial Owner**”). Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, or (iii) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Issuer and the Trustee may treat as and deem DTC to be the absolute owner of each Bond for the purpose of payment of the principal of and interest on such Bond, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. Payments of principal may be made without requiring the surrender of the Bonds, and the Issuer and Trustee shall not be liable for the failure of DTC or any successor thereto to properly indicate on the Bonds the payment of such principal. No person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal of and interest on the Bonds pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word “Cede” in this Indenture shall refer to such new nominee of DTC.

(c) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to DTC or its nominee in same day funds on the dates provided for such payments under this Indenture. Each such payment to DTC or its nominee shall be valid and effective to

fully discharge all liability of the Issuer and the Trustee with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds Outstanding of any series or maturity, the Trustee shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Trustee, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Trustee shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(d) The Issuer and the Trustee may treat DTC or its nominee as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders and for all other purposes whatsoever; and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Neither the Issuer nor the Trustee shall have any responsibility or obligation to any participant in DTC, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other Person which is not shown on the Bond Register as being a Bondholder, with respect to: (1) the accuracy of any records maintained by DTC or any such participant; (2) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery to any participant or to any other Person, other than the Holders as shown on the Bond Register, of any notice which is permitted or required to be given to Holders under this Indenture; (4) the selection by DTC or any such participant of any Person to receive payment in the event of a partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as Holder.

(e) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Holders under this Indenture shall be given to DTC as provided in DTC's procedures, as the same may be amended from time to time.

(f) In connection with any notice or other communication to be provided to Holders pursuant to this Indenture by the Issuer or the Trustee with respect to any consent or other action to be taken by Holders, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the Issuer or the Trustee may establish a special record date for such consent or other action. The Issuer or the Trustee shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either: (1) DTC determines to resign as Securities Depository for the Bonds; or (2) the Issuer determines (with the prior written consent of the Credit Facility Provider if after Conversion) to discontinue the system of book-entry transfers through DTC (or through a successor Securities Depository) subject to the rules and regulations of DTC regarding the discontinuation of the system of book-entry transfers in effect at such time. In either of such events (unless, in the case described in clause (2) above, the Issuer appoints a successor Securities Depository), the Bonds shall be delivered in registered certificate form to such Persons, and in

such series, maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Trustee for the accuracy of such designation. Whenever DTC requests the Issuer and the Trustee to do so, the Issuer and the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another Securities Depository to maintain custody of certificates evidencing the Bonds.

(h) Prior to any transfer of the Bonds that is outside of a Book Entry System (including, but not limited to, the initial transfer outside of a Book Entry System) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(i) The book-entry system for registration of the ownership of the Bonds shall be discontinued in the event that the Bonds are purchased in lieu of redemption pursuant to Section 3.06 hereof (unless otherwise consented to in writing by the Issuer).

Section 2.13 Conversion. Notwithstanding any other provision of this Indenture to the contrary, if the Conversion Notice is issued not less than fifteen (15) days prior to the Forward Commitment Maturity Date, Conversion shall occur on the Conversion Date specified in the Conversion Notice. The Trustee shall, not less than seven (7) days prior to the Conversion Date, give written notice of the Conversion to the Issuer, the Credit Facility Provider, the Borrower, the Remarketing Agent and the Bondholders. Conversion shall not require, and shall be effective without, the consent of the Bondholders. The Issuer and the Trustee acknowledge that on the Conversion Date, pursuant to the Intercreditor Agreement to be executed on the Conversion Date, the Credit Facility Provider will have all of the rights and interests of the Credit Facility Provider under the Bond Financing Documents and the Bond Loan Documents with the authority to exercise the rights provided to the Credit Facility Provider under the Intercreditor Agreement.

Section 2.14 Failed Conversion. If the Conversion Notice is not issued at least fifteen (15) days before the Forward Commitment Maturity Date, Conversion will not occur and the Credit Facility Provider will not have any obligation to provide the Credit Facility and will not otherwise have any obligation with respect to the Bonds or the Bond Loan. If Conversion does not occur before the Forward Commitment Maturity Date, the Bonds will be subject to mandatory redemption as provided in Section 3.01.

ARTICLE III

REDEMPTION, MANDATORY TENDER AND REMARKETING OF BONDS PRIOR TO MATURITY

Section 3.01 Redemption of Bonds Prior to Maturity.

(a) Optional Redemption of Series A Bonds. The Series A Bonds are not subject to optional redemption prior to [_____, 2034]. On and after [_____, 2034], the Series A Bonds are subject to optional redemption from payments made under the Credit Facility (subject to the

limitations set forth in subsection (ii) of this Section 3.01(a)) or with other Eligible Funds deposited with the Trustee,

(i) With the prior written consent of the Credit Facility Provider, in whole or in part, upon optional prepayments on the Bond Loan in accordance with the prepayment restrictions set forth in Section 4.4 of the Financing Agreement on any Business Day, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest, if any, to the redemption date.

(ii) Optional redemption of Bonds at a premium may only be made if the Trustee has received Eligible Funds not consisting of funds drawn under the Credit Facility on or prior to the redemption date in an amount sufficient to pay the applicable redemption premium.

(iii) The Trustee shall effect a redemption of Series A Bonds pursuant to this Section 3.01(a) at the earliest practicable date for which notice may be given hereunder but in no event later than 35 days following its receipt of money representing an optional prepayment of the Bond Loan.

(b) Mandatory Redemption of Series A Bonds. The Series A Bonds are subject to mandatory redemption on any Business Day, in whole or in part as indicated below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, at the earliest practicable date upon the occurrence of any of the following:

(i) after the Conversion Date, in whole or in part, upon receipt by the Trustee of (1) proceeds of a draw under the Credit Facility, in the amount of Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Loan, such amount to be applied to reimburse the Credit Facility Provider for the draw under the Credit Facility as a result of casualty or condemnation of the Project and (2) a written direction by the Credit Facility Provider to redeem such Series A Bonds using money obtained as a result of such draw upon the Credit Facility; or

(ii) after the Conversion Date, in whole or in part, upon receipt by the Trustee of amounts from the Credit Facility Provider pursuant to the Credit Facility as a result of the occurrence of an event of default (after expiration of any notice and cure periods) under any Bond Loan Document and receipt by the Trustee of a written direction by the Credit Facility Provider to redeem the Bonds pursuant to the Credit Facility; or

(iii) in part, pursuant to a mandatory sinking fund redemption, as provided Section 3.01(c); or

(iv) five (5) calendar days after the Conversion Date Deadline, in whole, if the Conversion Date has not occurred on or prior to the Conversion Date Deadline, as such date may be extended pursuant to Section 3.11 hereof, payable with respect to principal first, from money on deposit in the Series A Collateral Account and second, from money on deposit in the Series A Bond Proceeds Account and accrued but unpaid interest to the redemption date, first, from money on deposit in the Series A General Account and second,

from money on deposit in the Series A Negative Arbitrage Account, and third, from other Eligible Funds available or made available for such purpose; or

(v) on the Conversion Date, in part, in an amount equal to the positive difference, if any, between (i) the aggregate principal amount of the Series A Bonds Outstanding as of the first day of the month in which the Conversion Date occurred and (ii) the Actual Bond Loan Amount, payable with respect to principal first, from money on deposit in the Series A Bond Proceeds Account and second, from money on deposit in the Series A Collateral Account, and with respect to the accrued but unpaid interest to the redemption date, first, from money on deposit in the Series A General Account and second, from money on deposit in the Series A Negative Arbitrage Account, and third, from any other Eligible Funds available or made available for such purpose.

(c) Mandatory Sinking Fund Redemption of Series A Bonds. The Series A Bonds are subject to mandatory sinking fund redemption on each November 1 and May 1, commencing November 1, 2028, in the amounts set forth in the table below; provided that if less than all the Series A Bonds shall have been redeemed pursuant to Section 3.01(a) or 3.01(b), the amount of Series A Bonds to be redeemed in each year from sinking fund installments as provided in this Section 3.01(c) shall be decreased by an amount, in proportion, as nearly as practicable, to the decrease in the payments on the Bond Loan in such year as determined by the Trustee (in consultation with the Servicer):

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>

(d) Optional Redemption of Series B Bonds. The Series B Bonds are not subject to optional redemption prior to [May 1, 2027]. On or after [May 1, 2027], the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption date during any subsequent Remarketing Period, in which case the Series B Bonds shall be subject to optional redemption in whole but not in part by the Issuer at the written direction of the Borrower (with delivery of a Cash Flow Projection and written notice to the Trustee at least 30 days prior to the

proposed redemption date) on any Business Day during such Remarketing Period at a redemption price of 100% of the principal amount of such Series B Bonds to be redeemed plus accrued interest to the applicable redemption date.

(e) Mandatory Redemption for Failure to Remarket Series B Bonds. The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Series B Bonds; (ii) the conditions to remarketing set forth in Section 3.10 hereof have not been met by the dates and times set forth therein; or (iii) the proceeds of a remarketing on deposit in the Series B Remarketing Proceeds Account at 11:00 a.m., New York time, on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Series B Bonds on such Mandatory Tender Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from, in order, (i) amounts on deposit in the Series B Collateral Account, (ii) amounts on deposit in the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Account, and (iv) any other Eligible Funds available or made available for such purpose.

(f) Mandatory Redemption of Series B Bonds on Conversion Date. The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on the Conversion Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Series B Collateral Account, (ii) amounts on deposit in the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Account, and (iv) any other Eligible Funds available or made available for such purpose.

Section 3.02 Selection of Series A Bonds for Redemption.

(a) On and after the Conversion Date, the Trustee shall select Series A Bonds subject to mandatory sinking fund redemption pursuant to Section 3.01(c) hereof by lot within the appropriate maturity. If less than all the Series A Bonds then Outstanding shall be called for redemption other than as a result of mandatory sinking fund redemption pursuant to Section 3.01(c) hereof, the Trustee shall redeem an amount of Series A Bonds so that the resulting decrease in debt service on the Series A Bonds in each semiannual period ending on an Interest Payment Date is proportional, as nearly as practicable, to the decrease in the payments on the Bond Note in each such semiannual period, as determined by the Trustee in consultation with by the Servicer, and the Bonds shall be selected by lot within each maturity, the cost of such selection being at the Borrower's expense.

(b) Any Bonds shall be redeemed pursuant to this Article III only in Authorized Denominations.

Section 3.03 Notice of Redemption. Notice of the intended redemption of each Bond shall be given by the Trustee by first class mail, postage prepaid, or by Electronic Notice, to the registered Owner at the address of such Owner shown on the Bond Register. All such redemption

notices shall be given not less than twenty (20) days (not less than fifteen (15) days in the case of a mandatory redemption of the Bonds on the Conversion Date and not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. On and after the Conversion Date, the Trustee may provide a conditional notice of redemption of Series A Bonds upon the direction of the Credit Facility Provider or the Borrower (with the prior written consent of the Credit Facility Provider).

Notices of redemption shall state the redemption date and the redemption price, the place or places where amounts due upon such redemption will be payable, and, if less than all of the then Outstanding Bonds are called for redemption, shall state (i) the numbers of the Bonds to be redeemed by giving the individual certificate number of each Bond to be redeemed or shall state that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption only if bonds cease to be book entry bonds; (ii) the CUSIP numbers of all Bonds being redeemed if available; (iii) the amount of each Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Bond as originally issued; (v) the rate of interest borne by each Bond redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the possibility of a purchase of Bonds in lieu of redemption, if applicable; (viii) the conditions, if any, which must be satisfied in order for the redemption to take place on the scheduled date of redemption, including, as provided in Section 3.01(a) hereof, that Eligible Funds are available to pay any redemption premium or the redemption price, as and if applicable, on the Bonds; and (ix) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each notice of redemption shall state that further interest on such Bonds will not accrue from and after the redemption date and that payment of the principal amount and premium, if any, will be made upon presentation and surrender of the Bonds at the Principal Office of the Trustee unless the Bonds are then held in a book-entry only system of registration.

Notice of such redemption shall also be sent by first class mail, overnight delivery service, Electronic Notice or other secure means, postage prepaid, to the Credit Facility Provider, to the Servicer, to the Rating Agency, to all of the Securities Depositories and to the Information Service that disseminates securities redemption notices, when possible, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

In addition to providing notice of redemption as set forth above, if the Bonds are no longer held in book-entry form, the Trustee shall send a second notice of redemption within sixty (60) days following the redemption date, by first class mail, overnight delivery service, or other secure means, postage prepaid to the registered Owners of any Bonds called for redemption, at their addresses appearing on the Bond Register as of the Record Date immediately preceding the redemption date, who have not surrendered their Bonds for redemption within thirty (30) days following the redemption date.

Failure to give notice by mailing to the registered Owner of any Bond designated for redemption or to any depository or Information Service shall not affect the validity of the

proceedings for the redemption of any other Bond if notice of such redemption shall have been mailed as herein provided.

Section 3.04 Cancellation. All Bonds that have been redeemed shall be marked cancelled by the Trustee, and shall not be reissued. A counterpart of the certificate of cancellation evidencing such cancellation shall, upon request, be furnished by the Trustee to the Issuer.

Section 3.05 Effect of Notice of Redemption. If a conditional notice of redemption has been provided pursuant to the terms of this Indenture and the conditions are not satisfied, such notice of redemption shall be of no force and effect and the Bondholders shall be restored to their former positions as though no such notice of redemption had been delivered. Notice of redemption having been given in the manner provided in this Article III and if either there were no conditions to such redemption or the conditions have been satisfied, and money for the redemption being held by the Trustee or Paying Agent for that purpose, thereupon the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue on such date; and such Bonds shall thereafter no longer be entitled to any security or benefit under this Indenture except to receive payment of the redemption price thereof.

Section 3.06 Purchase of Series A Bonds in Whole in Lieu of Redemption following the Conversion Date. Notwithstanding anything in this Indenture to the contrary, on and after the Conversion Date, at any time the Series A Bonds are subject to redemption in whole pursuant to the provisions of this Indenture, all (but not less than all) of the Series A Bonds to be redeemed may be purchased by the Trustee (for the account of the Borrower or the Credit Facility Provider or their respective designee, as directed by such party) on the date which would be the redemption date at the direction of the Credit Facility Provider or the Borrower, with the prior written consent of the Credit Facility Provider and the Issuer (which direction shall specify that such purchase is pursuant to this Section 3.06 and shall be given no later than 5:00 p.m., Washington, D.C. time on the Business Day immediately prior to such redemption date), at a purchase price equal to the redemption price which would have been applicable to such Series A Bonds on the redemption date. The Series A Bonds shall be purchased in lieu of redemption only from amounts provided by the Credit Facility Provider or from other Eligible Funds. In the event the Trustee is so directed to purchase Series A Bonds in lieu of redemption, no notice to the holders of the Series A Bonds to be so purchased (other than the notice of redemption otherwise required hereunder) shall be required, and the Trustee shall be authorized to apply to such purpose the funds in the Redemption Fund which would have been used to pay the redemption price for such Series A Bonds if such Series A Bonds had been redeemed rather than purchased. Such Series A Bonds so purchased for the account of the Borrower shall for all purposes under this Indenture constitute Purchased Bonds held by the Custodian pursuant to the Pledge Agreement. Following the Conversion Date, Credit Facility Provider shall have the right to direct the transfer of Purchased Bonds (without reinstatement of the Credit Facility which will result in such Series A Bonds being unrated) to the Credit Facility Provider or any subsidiary of the Credit Facility Provider, or to a single Bondholder which has provided the Trustee with a purchaser's letter in the form attached to this Indenture as **Exhibit D** (and otherwise subject to the provisions of Section 2.12(g) hereof), provided that any transfer to the Credit Facility Provider, any subsidiary of the Credit Facility Provider or a single Bondholder as described above, shall require delivery of an opinion of Bond Counsel to the Trustee to the effect that such transfer will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series A Bonds. Such Purchased Bonds, if not transferred

as provided herein, shall be deemed redeemed and cancelled automatically by the Trustee on the date which is not later than two (2) years from the date of purchase, unless an opinion of Bond Counsel is delivered to the Trustee to the effect that not redeeming and canceling such Purchased Bonds will not adversely affect the excludability from gross income for federal income tax purposes of interest on the Series A Bonds. Any purchase of Series A Bonds hereunder is not intended as an extinguishment of the debt represented by the Series A Bonds.

Section 3.07 Cancellation of Purchased Bonds. On or after the Conversion Date, any purchase of the Series A Bonds in lieu of redemption and prior to any transfer of such Purchased Bonds pursuant to Section 3.06 hereof, the Credit Facility Provider may direct the cancellation of Purchased Bonds in whole or in part at any time. No further money shall be required to be paid by the Issuer or the Credit Facility Provider in connection with such cancellation; provided, however, that such cancellation shall not release the obligation of the Borrower to reimburse the Credit Facility Provider for payments made in respect of principal of, interest on or Purchase Price of the Series A Bonds, including Purchased Bonds.

Section 3.08 Mandatory Tender of Series B Bonds.

(a) Purchase of Series B Bonds on Mandatory Tender Dates. All Outstanding Series B Bonds shall be subject to mandatory tender by the Bondholders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Series B Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

(b) Holding of Tendered Series B Bonds. While tendered Series B Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Bondholders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Series B Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Series B Bonds had not been tendered for purchase.

(c) Purchase of Tendered Series B Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Series B Bonds on deposit in the Series B Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Series B Bonds tendered for purchase not later than 11:30 a.m., New York time, on the Mandatory Tender Date.

(d) Cancellation of Remarketing. In the event the Series B Bonds must be redeemed as a result of the occurrence of any of the events listed in Section 3.01(e), the remarketing shall be cancelled and all Series B Bonds outstanding on the Mandatory Tender Date shall be redeemed in accordance with Section 3.01(e).

(e) Undelivered Series B Bonds. Series B Bonds shall be deemed to have been tendered for purposes of this Section 3.08 whether or not the Bondholders shall have delivered such undelivered Series B Bonds to the Trustee, and subject to the right of the holders of such undelivered Series B Bonds to receive the purchase price of such undelivered Series B Bonds on the Mandatory Tender Date, such undelivered Series B Bonds shall be null and void. If such undelivered Series B Bonds are to be remarketed, the Trustee shall authenticate and deliver new

Series B Bonds in replacement thereof pursuant to the remarketing of such undelivered Series B Bonds.

Section 3.09 Notice of Mandatory Tender for Series B Bonds.

(a) Notice to Holders. No later than the 30th day prior to a Mandatory Tender Date, the Trustee shall give written notice of a mandatory tender on the Mandatory Tender Date to the holders of the Series B Bonds Outstanding (with a copy to the Borrower, the Issuer, the Investor Member, the Special Member, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (A) if certain conditions are met, all Outstanding Series B Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Series B Bonds must be tendered for purchase no later than 9:00 a.m., New York time, on the Mandatory Tender Date and (C) Bondholders will not have the right to elect to retain their Series B Bonds;

(ii) the address of the designated corporate trust office of the Trustee at which Bondholders should deliver their Series B Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Series B Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Series B Bonds plus interest accrued to the Mandatory Tender Date;

(iv) that if, in the event that the conditions to remarketing set forth in Section 3.10(b) or Section 3.10(d) hereof are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the Series B Bonds on the Mandatory Tender Date, all of the Series B Bonds will be redeemed, without further notice, on the Mandatory Tender Date; and

(v) that any Series B Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

(b) Second Notice. In the event that any Series B Bond required to be delivered to the Trustee for payment of the purchase price of such Series B Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the holder of the Bond at its address as shown on the Register setting forth the requirements set forth in this Indenture for delivery of the Series B Bond to the Trustee and stating that delivery of the Series B Bond to the Trustee (or compliance with the provisions of this Indenture concerning payment of lost, stolen or destroyed Series B Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Series B Bond.

(c) Failure to Give Notice. Neither failure to give or receive any notice described in this Section 3.09, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this Section 3.09.

Section 3.10 Remarketing of Series B Bonds.

(a) Notice of Mandatory Tender. No later than 11:00 a.m., New York time, on the 35th day prior to each Mandatory Tender Date, the Trustee shall give notice to the Borrower and the Remarketing Agent by telephone or electronic mail, confirmed on the same day in writing, which states that all Outstanding Series B Bonds shall be tendered or deemed to be tendered pursuant to Section 3.08 hereof.

(b) Preliminary Conditions to Remarketing. No later 11:00 a.m., New York time, on the 30th day prior to the Mandatory Tender Date then in effect, if the Borrower elects to cause the Series B Bonds to be remarketed, the Borrower must give notice to the Remarketing Notice Parties by telephone or telecopy, confirmed on the same day in writing, of such election. A remarketing of the Series B Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) notice by the Borrower to the Remarketing Agent of the Remarketing Period, as approved in writing by the Remarketing Agent, which Remarketing Period shall not extend beyond the Forward Commitment Maturity Date, as extended;

(ii) delivery to the Trustee and the Remarketing Agent of a preliminary Cash Flow Projection with respect to the proposed Remarketing Period; and

(iii) the Borrower shall have notified the Trustee in writing that it has approved as to form and substance any disclosure document or offering materials which, in the opinion of counsel to the Remarketing Agent, are necessary to be used in connection with the remarketing of the Outstanding Series B Bonds or that no such disclosure document or offering material are required.

If the foregoing conditions are not satisfied by 11:00 a.m., New York time, on the 15th day prior to the Mandatory Tender Date then in effect (including any extension of the Forward Commitment Maturity Date contemplated by the notice provided under 3.10(b)(i) above), the remarketing shall be cancelled and the Series B Bonds shall be redeemed in accordance with Section 3.01(e).

(c) Establishment of Remarketing Rate. The Remarketing Agent shall establish the interest rate on the Series B Bonds Outstanding for each Remarketing Period at the Remarketing Rate in accordance with this Section 3.10. Not less than ten (10) Business Days preceding each Remarketing Date, the Remarketing Agent, taking into consideration prevailing market conditions, shall, using its best professional judgment, determine the minimum rate(s) of interest which, if borne by the Series B Bonds Outstanding for the Remarketing Period specified by the Remarketing Agent at the direction of the Borrower as provided in this Section 3.10 would result in such Series B Bonds being remarketed at par. The rate of interest determined in accordance with the previous sentence shall be the Remarketing Rate for the specified Remarketing Period; provided that if the rate of interest so determined for such period would exceed the Maximum Rate, the Series B Bonds Outstanding shall be remarketed for the longest Remarketing Period for which the minimum rate of interest that would enable such Series B Bonds to be remarketed at a price equal to 100% of the principal amount of such Series B Bonds that would not exceed the Maximum Rate.

Notwithstanding the foregoing, if the rate of interest so determined for any Remarketing Period would exceed the Maximum Rate, the Series B Bonds Outstanding shall not be remarketed.

(d) Notice of Remarketing Rate. The Remarketing Agent shall, upon determination of the Remarketing Rate and Remarketing Period, immediately (and in no event later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period) give notice of its determination by telephone or telecopy, promptly confirmed in writing, to the Trustee, the Issuer, the Investor Member, the Special Member, and the Borrower. The Remarketing Rate and the Remarketing Period shall be conclusive and binding upon the Trustee, the Issuer, the Borrower and the Holders for the purposes of this Indenture.

(e) Remarketing. No later than the 10th day prior to each Mandatory Tender Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the Series B Bonds Outstanding on the Mandatory Tender Date at a price equal to 100% of the principal amount of such Series B Bonds plus accrued interest on such Series B Bonds. No later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period, the Remarketing Agent shall give notice, by telephone or electronic mail, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of Series B Bonds, if any, it has remarketed (including Series B Bonds to be purchased on the Mandatory Tender Date for its own account), the Remarketing Rate and the Remarketing Period applicable to the Series B Bonds.

The Remarketing Agent shall have the right to remarket the Series B Bonds tendered pursuant to Section 3.08 hereof; provided, however, that no Series B Bond shall be remarketed unless all of the Outstanding Series B Bonds are remarketed and all such Series B Bonds shall be remarketed at a price not less than the amount equal to 100% of the principal amount thereof plus accrued interest (if any). The Remarketing Agent shall have the right to purchase any Series B Bond tendered or deemed tendered pursuant to Section 3.08 hereof at the purchase price thereof, and to thereafter sell such Series B Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not knowingly remarket any Series B Bond to the Issuer, the Borrower, any guarantor of the Series B Bonds or any person which is an “insider” of the Issuer, the Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(f) Final Conditions to Remarketing.(A) If, no later than four (4) Business Days prior to a Mandatory Tender Date (i) the Remarketing Agent shall have notified the Trustee in writing of the remarketing of the Outstanding Series B Bonds and that the proceeds from the remarketing (including proceeds of remarketing of Outstanding Series B Bonds to be purchased by the Remarketing Agent on the Mandatory Tender Date for its own account) or other funds equal to the amount needed to purchase the remarketed Series B Bonds on the Mandatory Tender Date are expected to be available to the Trustee on the Mandatory Tender Date for deposit into the Series B Remarketing Proceeds Account; and (ii) the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received written confirmation from the Rating Agency that the then-current rating assigned to the Outstanding Series B Bonds will continue to be effective on the Remarketing Date; and (B) if, no later than two (2) Business Days prior to a

Mandatory Tender Date, there shall be on deposit with the Trustee, from funds provided by or on behalf of the Borrower, any additional amount required to pay the Extension Deposit and the estimated Remarketing Expenses as determined by the Remarketing Agent and certified to the Trustee; then the Trustee shall immediately give notice, by telephone or electronic mail, which notice shall be immediately confirmed in writing, to the Remarketing Agent, the Borrower, the Investor Member and the Special Member that (a) all conditions precedent to the remarketing of the Outstanding Series B Bonds have been satisfied and (b) the sale and settlement of the Outstanding Series B Bonds is expected to occur on the Mandatory Tender Date. Following the Trustee's notice, the Outstanding Series B Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Mandatory Tender Date, and the Trustee shall apply (i) the funds in the Series B Remarketing Proceeds Account on the Remarketing Date to payment of the purchase price of the Outstanding Series B Bonds and (ii) the funds in the Remarketing Expense Account to payment of the Remarketing Expenses.

(g) Remarketing Proceeds. On or before the Business Day next preceding each Remarketing Date, the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of Series B Bonds tendered for purchase on such Mandatory Tender Date. The proceeds from the remarketing of the Series B Bonds shall be deposited into the Series B Remarketing Proceeds Account, segregated from any funds of the Borrower and the Issuer and shall in no case be considered to be or be assets of the Borrower or the Issuer. Funds representing remarketing proceeds received by the Remarketing Agent after 10:00 a.m., New York time, on each Mandatory Tender Date shall be paid to the Trustee as soon as practicable upon such receipt.

(h) Delivery of Remarketed Series B Bonds. No later than the 10th day prior to each Mandatory Tender Date, the Remarketing Agent, by telephonic advice or electronic mail, shall notify the Trustee of (i) the principal amount of Series B Bonds to be sold by the Remarketing Agent pursuant to this Section 3.10 and the purchase price, and, unless the Series B Bonds are then in the book-entry system, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of Series B Bonds tendered for purchase on such Mandatory Tender Date which will not be sold by the Remarketing Agent pursuant to this Section 3.10. Such telephonic advice shall be confirmed by written notice delivered or electronically communicated at the same time as the telephonic advice. Series B Bonds purchased by the Trustee on a Mandatory Tender Date that have been remarketed shall be delivered to the purchasers thereof as directed by the Remarketing Agent. Series B Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 3.11 Extension of the Conversion Date Deadline.

At any time prior to the Conversion Date Deadline, the Borrower may extend the Conversion Date Deadline in connection and commensurate with an extension of the Forward Commitment Maturity Date by (i) providing to the Trustee, the Construction Lender, the Servicer, the Issuer, the Rating Agency and the Remarketing Agent written notice of any extension of the Conversion Date Deadline, including written confirmation from the Servicer that the Forward Commitment Maturity Date is extended in accordance with the provisions of the Forward Commitment, (ii) depositing with the Trustee Eligible Funds for the credit of the Series A Negative

Arbitrage Account any Extension Deposit set forth in a Cash Flow Projection, (iii) delivering to the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit, (iv) delivering to the Trustee confirmation by the Rating Agency of the then-current rating on the Series A Bonds and (v) if the Series B Bonds remain Outstanding, all the conditions to the remarketing of the Series B Bonds for a Remarketing Period extending through such extended Forward Commitment Maturity Date have been satisfied. Extension Deposits may continue to be made by or on behalf of the Borrower until the Conversion Date occurs or the Borrower declines to make an Extension Deposit resulting in a mandatory redemption of the Series A Bonds pursuant to Section 3.01(b)(iv); provided, however, the Conversion Date Deadline may not be extended to a date that is later than six months beyond the original Forward Commitment Maturity Date unless, prior to any extension beyond such date, there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Series A Bonds from gross income for Federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01 Pledge of Revenues and Assets; Establishment of Funds; Initial Deposits.

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses hereof shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any Person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

In addition to the Bond Proceeds Fund established pursuant to Section 2.11 hereof, the Trustee shall establish, maintain and hold in trust the following funds and accounts, each of which is hereby established and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund, and within the Revenue Fund, (i) a General Account, (ii) a Series A General Account, (iii) a Series B General Account, (iv) a Series A Negative Arbitrage Account, (v) a Series B Negative Arbitrage Account, and (vi) a Credit Facility Account;
- (b) Bond Fund, and within the Bond Fund, a Purchased Bonds Account and a Series B Remarketing Proceeds Account;
- (c) Redemption Fund;
- (d) Administration Fund, and within the Administration Fund, a Remarketing Expense Account;

(e) Cost of Issuance Fund;

(f) Credit Facility Reimbursement Fund, and within the Credit Facility Reimbursement Fund, a Credit Facility Principal Reimbursement Account and a Credit Facility Interest Reimbursement Account;

(g) the Collateral Fund, and within the Collateral Fund, (i) a Series A Collateral Account and (ii) a Series B Collateral Account; and

(h) Rebate Fund.

The funds and accounts established pursuant to this Section 4.01 shall be maintained in the corporate trust department of the Trustee as segregated trust accounts, separate and identifiable from all other funds held by the Trustee. The funds and accounts established hereunder shall bear a designation clearly indicating that the funds deposited therein are held for the benefit of (i) the Holders of the Bonds, respecting the Bond Proceeds Fund, the Revenue Fund, the Bond Fund, the Redemption Fund, and the Collateral Fund, (ii) the Credit Facility Provider, respecting the Credit Facility Reimbursement Fund, (iii) the parties indicated in Sections 4.06 and 4.13, respecting the Administration Fund and the Cost of Issuance Fund, and (iv) the Issuer, respecting the Rebate Fund. The Trustee shall, at the written direction of an Authorized Officer of the Issuer, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to a deposit or use of money in the funds established hereunder, or result in commingling of funds not permitted hereunder.

On the Delivery Date, the Trustee shall make the following deposits in addition to the deposits of proceeds of the Bonds pursuant to Section 2.11 hereof:

(a) \$[_____], representing the Costs of Issuance Deposit, shall be deposited into the Costs of Issuance Fund;

(b) \$[_____], representing the Series A Negative Arbitrage Deposit, shall be delivered to the Trustee for deposit into the Series A Negative Arbitrage Account in the Revenue Fund; and

(c) \$[_____], representing the Series B Negative Arbitrage Deposit shall be delivered to the Trustee for deposit into the Series B Negative Arbitrage Account in the Revenue Fund.

(d) \$[_____], representing the Administration Fund Deposit, shall be delivered to the Trustee for deposit into the Administration Fund for payment of the Ordinary Issuer Fees and Expenses and Ordinary Trustee's Fees and Expenses during the Construction Phase.

(e) \$[_____], representing the Initial Collateral Fund Deposit, shall be delivered to the Trustee for deposit to the Series A Collateral Account of the Collateral Fund.

Section 4.02 Bond Proceeds Fund.

(a) Deposit. The Trustee shall deposit the proceeds of the sale of the Bonds into the Series A Bond Proceeds Account and the Series B Bond Proceeds Account as provided in Section 2.11 hereof.

(b) Reserved.

(c) Transfers, Disbursements and Requisitions. The Trustee shall make disbursements from the respective accounts of the Bond Proceeds Fund for the purpose of paying Costs of the Project, subject to the limitations in the Tax Certificate and only upon satisfaction of the requirements set forth in this Section 4.02(c). The Trustee shall have no right or duty to determine whether any requested disbursement from the Bond Proceeds Fund complies with the terms, conditions and provisions of this Indenture or the Financing Agreement.

With respect to any disbursement from the Bond Proceeds Fund, upon the Trustee's receipt of (i) a completed and fully signed Requisition and (ii) Eligible Funds for deposit into the applicable Account of the Collateral Fund as provided in Section 4.17 hereof, and subject to the provisions of this Section 4.02, the Trustee shall disburse proceeds of the Series A Bonds or Series B Bonds, as applicable, in an amount equal to such corresponding deposit made into the applicable Account of the Collateral Fund to fund Costs of the Project pursuant to such Requisition. Prior to making any such disbursement from the applicable Account of the Bond Proceeds Fund, the Trustee shall confirm that, with respect to each of the Series A Bonds and the Series B Bonds, as applicable, the aggregate principal amount that will be held in both (a) the applicable Account of the Collateral Fund and (b) the applicable Account of the Bond Proceeds Fund, after the requested disbursement, and, with respect to the Series B Bond Proceeds Account, any transfer described in the Bond Closing Memorandum, will at least equal the Outstanding principal amount of the Series A Bonds and the Series B Bonds, as applicable.

Notwithstanding anything to the contrary, the Trustee shall not disburse Bond proceeds from the Bond Proceeds Fund (other than (i) as permitted pursuant to the Bond Closing Memorandum and (ii) to pay amounts due on the Bonds in connection with a redemption pursuant to Article III hereof), unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the applicable Account of the Collateral Fund; provided, however, that the Trustee shall transfer funds from the applicable Account of the Bond Proceeds Fund to the applicable Account of the Collateral Fund upon receipt of an opinion of Bond Counsel to the effect that such transfer shall not cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes. To the extent money on deposit in the applicable Account of the Bond Proceeds Fund is invested in Qualified Investments that have not yet matured, the Trustee is hereby authorized to make the following sale and exchange, which sale and exchange shall occur prior to the disbursement of amounts on deposit in the applicable Account of the Bond Proceeds Fund to pay Costs of the Project without the need to sell or terminate such Qualified Investments prior to their stated maturity date: (i) sell all or a portion of the Qualified Investments in the applicable Account of the Bond Proceeds Fund, in the amount specified in the request for disbursement, to the applicable Account of the Collateral Fund for a price of par and (ii) transfer a like amount of available funds from the applicable Account of the Collateral Fund to the applicable Account of the Bond Proceeds

Fund representing proceeds of the Series A Bonds or Series B Bonds, as applicable, as the purchase price thereof.

Upon the satisfaction of the provisions set forth in this Section, the Trustee shall be irrevocably and unconditionally obligated to disburse Bond proceeds from the applicable Account of the Bond Proceeds Fund equal to the amount deposited to the applicable Account of the Collateral Fund, as set forth in the corresponding requisition, and to the extent the Trustee is unable to do so, the Trustee shall return the amount deposited into the applicable Account of the Collateral Fund, within one Business Day of receipt of such deposit, to the Eligible Funds Provider that made such deposit in connection with the applicable Requisition.

(d) Upon final disbursement of all amounts on deposit in the Bond Proceeds Fund, including all interest accrued therein, the Trustee shall close the Bond Proceeds Fund.

(e) Amounts on deposit in the Bond Proceeds Fund shall be invested as provided in Section 4.08 hereof. All Investment Income on amounts on deposit in the Series A Negative Arbitrage Account, the Series A Collateral Account and the Series A Bond Proceeds Account shall be transferred to and become a part of the amounts on deposit in the Series A General Account in the Revenue Fund. All Investment Income on amounts on deposit in the Series B Bond Proceeds Account shall be transferred to and become a part of the amounts on deposit in the Series B Negative Arbitrage Account in the Revenue Fund.

Section 4.03 Application of Revenue Fund.

(a) All Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the General Account, except (i) with respect to amounts required to be deposited in the Series A General Account or the Series B General Account as provided in this Article IV, shall be deposited the Series A General Account or the Series B General Account, as applicable, (ii) amounts paid pursuant to the Credit Facility, which shall be deposited in the Credit Facility Account; (iii) as otherwise specifically provided in subsection (d) of this Section 4.04 with respect to certain deposits into the Redemption Fund; (iv) with respect to Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and (v) with respect to amounts required to be transferred between funds and accounts as provided in this Article IV.

(b) On and prior to the Conversion Date, the Trustee shall charge the Series A General Account and the Series B General Account, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date and shall cause the same to be credited to the Bond Fund and applied to the payment of such interest and principal when due on the Bonds as follows:

(i) to the extent funds in the Series A General Account are not sufficient to cover amounts due on the Series A Bonds, the Trustee shall transfer to the Series A General Account, funds from the following accounts and in the following order: the Series A Negative Arbitrage Account, the Series A Collateral Account, and the Series A Bond Proceeds Account. All Investment Income on amounts on deposit in the Series A General Account shall remain therein; and

(ii) to the extent funds in the Series B General Account are not sufficient to cover amounts due on the Series B Bonds, the Trustee shall transfer funds to the Series B General Account, funds from the following accounts and in the following order: the Series B Negative Arbitrage Account, the Series B Collateral Account, and the Series B Bond Proceeds Account. All Investment Income on amounts on deposit in the Series B General Account shall remain therein.

The Trustee shall deposit amounts set forth in Section 4.01 into the Series A Negative Arbitrage Account. In addition, the Trustee shall deposit any Eligible Funds made available for deposit into the Series A Negative Arbitrage Account from any other source including any Extension Deposit. The Trustee shall transfer funds in the Series A Negative Arbitrage Account to the Series A General Account as permitted in this Section 4.03(b)(i). On the Conversion Date, any remaining funds on deposit in the Series A Negative Arbitrage Account shall be disbursed to the Borrower.

The Trustee shall deposit amounts set forth in Section 4.01 into the Series B Negative Arbitrage Account. In addition, the Trustee shall deposit any Eligible Funds made available for deposit into the Series B Negative Arbitrage Account from any other source including any Extension Deposit. The Trustee shall transfer funds in the Series B Negative Arbitrage Account to the Series B General Account as permitted in this Section 4.03(b)(ii). Following the redemption of the Series B Bonds in full, any remaining funds on deposit in the Series B Negative Arbitrage Account shall be disbursed to the Borrower as provided in Section 4.11. All Investment Income on amounts on deposit in the Series B Negative Arbitrage Account shall be transferred to and become a part of the amounts on deposit in the Series B General Account.

(c) On and after the Conversion Date, on each Interest Payment Date or any other date on which payment of principal of or interest on the Series A Bonds becomes due and payable, the Trustee, out of money in the Credit Facility Account and the General Account, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Bond Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal of and interest due on the Series A Bonds on such date (excluding principal of and interest on any Purchased Bonds and excluding the principal constituting a mandatory sinking fund payment on any Series A Bonds on such date); and

SECOND: to the Redemption Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal amount due and payable on the Series A Bonds with respect to mandatory sinking fund redemption (excluding principal of any Purchased Bonds) on such date; and

THIRD: to the Redemption Fund from money in the Credit Facility Account of the Revenue Fund (i) amounts paid to the Trustee under the Credit Facility to be applied to the mandatory redemption of all or a portion of the Series A Bonds pursuant to Section 3.01(b) hereof (other than a mandatory sinking fund redemption) and (ii) amounts

paid to the Trustee under the Credit Facility to be applied to the optional redemption of all or a portion of the Series A Bonds pursuant to Sections 3.01(a) hereof; and

FOURTH: to the Series A Purchased Bonds Account from money in the Bond Fund, such amount as the Credit Facility Provider shall advise the Trustee is equal to the interest due on the Purchased Bonds on such date.

(d) On and after the Conversion Date, promptly upon receipt, the Trustee shall deposit directly to the Credit Facility Reimbursement Fund (i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Loan, such amount to be applied to reimburse the Credit Facility Provider for a draw under the Credit Facility in such amount to provide for extraordinary mandatory redemption of all or a portion of the Series A Bonds pursuant to Section 3.01(b)(i) hereof; (ii) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the optional redemption of all or a portion of the Series A Bonds pursuant to Sections 3.01(a) hereof; and (iii) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the payment of any redemption premium in connection with an optional redemption of all or a portion of the Series A Bonds pursuant to Section 3.01(a) hereof.

(e) On and after the Conversion Date, should the amount in the Revenue Fund be insufficient to pay the amount due on the Series A Bonds on any given Interest Payment Date or other payment date after the transfers from the Credit Facility Account, the Trustee shall credit to the Revenue Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (1) the General Account; and (2) the Redemption Fund, except no such charge to the Redemption Fund shall be made from money to be used to effect a redemption for which notice of redemption has been provided for or from money which is held for payment of Series A Bonds which are no longer Outstanding hereunder.

(f) On and after the Conversion Date, at the written direction of the Borrower, and with the written consent of the Credit Facility Provider, together with a certificate setting forth that no default exists under the Bond Loan Documents signed by the Servicer, Investment Income deposited into the General Account shall be paid to the Borrower semi-annually on the first Business Day after each Interest Payment Date, commencing with the first Interest Payment Date after the Conversion Date, so long as (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund or any Custodial Escrow Account, (ii) no default exists under the Bond Loan and (iii) no event of default exists under any of the Bond Loan Documents.

Section 4.04 Application of Bond Fund. The Trustee shall charge the Bond Fund, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date, and shall cause the same to be applied to the payment of such interest and principal when due (excluding, after the Conversion Date, principal on any Purchased Bond). After the Conversion Date, any money remaining in the Bond Fund on any Interest Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Redemption Fund to redeem Bonds called for mandatory sinking fund redemption on such Interest Payment Date, be transferred to the Redemption Fund to be applied for such purpose. After the Conversion Date, any balance remaining in the Bond Fund on the

Business Day immediately succeeding an Interest Payment Date shall be transferred to the Servicer for payment to the Credit Facility Provider to be applied in accordance with the Reimbursement Agreement.

Any Investment Income on amounts on deposit in the Bond Fund shall be deposited by the Trustee upon receipt thereof prior to the Conversion Date, in the Series A General Account in the Revenue Fund and, following the Conversion Date, in the General Account of the Revenue Fund.

The Trustee shall deposit and disburse amounts in the Series B Remarketing Proceeds Account as set forth in Sections 3.01, 3.08 and 3.10.

No amount shall be charged against the Bond Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.05 Application of Redemption Fund.

On and after the Conversion Date, any money credited to the Redemption Fund shall be applied as set forth in Sections 4.03(c) and (d) hereof; provided, however, that to the extent any money credited to the Redemption Fund from Eligible Funds (other than draws under the Credit Facility) is in excess of the amount necessary to effect the redemptions referred to in Sections 4.03(c) and (d) hereof it shall be applied to make up any deficiency in the Revenue Fund on any Interest Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Series A General Account is insufficient to make up such deficiency, provided that no money to be used to effect a redemption for which a conditional notice of redemption, the conditions of which have been satisfied, or an unconditional notice of redemption has been provided or money which is held for payment of Series A Bonds which are no longer Outstanding hereunder shall be so transferred to the Bond Fund.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Redemption Fund shall be credited by the Trustee to the General Account in the Revenue Fund.

No amount shall be charged against the Redemption Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.06 Administration Fund.

The Trustee shall deposit into the Administration Fund, promptly upon receipt thereof, the Administration Fund Deposit, and all other amounts received from the Servicer or the Borrower designated for deposit into such fund. The Trustee shall also deposit into the Remarketing Expense Account of the Administration Fund promptly upon receipt the amount of the Remarketing Expenses associated with any remarketing of the Series B Bonds. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Trustee and used **FIRST**, to pay to the Trustee when due the Ordinary Trustee's Fees and Expenses; **SECOND**, to pay to the Issuer when due the Ordinary Issuer Fees and Expenses; **THIRD**, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under this Indenture and the Financing Agreement, upon receipt of an invoice from the Rebate Analyst; **FOURTH**, to deposit to any Custodial Escrow Account any deficiency in the

amount held therein as certified in writing by the Servicer (or subsequent holder of such an account) to the Trustee; **FIFTH**, to pay to the Trustee any Extraordinary Trustee's Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and Freddie Mac; **SIXTH**, to pay to the Issuer when due any Extraordinary Issuer Fees and Expenses; **SEVENTH**, to pay to the Credit Facility Provider any unpaid portion of the amounts due under the Reimbursement Agreement, as certified in writing by the Credit Facility Provider to the Trustee; **EIGHTH**, to pay to the Servicer any unpaid portion of the Ordinary Servicing Fees and Expenses and any Extraordinary Servicing Fees and Expenses due and owing from time to time, as set forth in an invoice submitted to the Trustee and Freddie Mac; **NINTH**, to make up any deficiency in the Redemption Fund on any redemption date of Series A Bonds, to the extent money then available in accordance with Section 4.03(d) hereof in the Redemption Fund is insufficient to redeem Series A Bonds called for redemption on such redemption date; **TENTH**, to pay to the Dissemination Agent when due the Dissemination Agent's Fee; **ELEVENTH**, to pay to the Rating Agency when due the annual rating maintenance fee, if any, as set forth in an invoice submitted to the Trustee; and **TWELFTH**, to transfer any remaining balance after application as aforesaid, prior to the Conversion Date, to the Series A General Account in the Revenue Fund and, following the Conversion Date, to the General Account of the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Trustee of the amount of such deficiency. Upon payment by the Borrower of such deficiency, the amounts for which such deficiency was requested shall be paid by the Trustee.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Trustee, prior to the Conversion Date, to the Series A General Account in the Revenue Fund and, following the Conversion Date, to the General Account of the Revenue Fund.

Amounts in the Remarketing Expense Account of the Administration Fund shall be applied by the Trustee in accordance with Section 3.10 hereof.

No amount shall be charged against the Administration Fund except as expressly provided in this Article IV and Section 6.05 hereof.

Section 4.07 Credit Facility Reimbursement Fund.

(a) On the Conversion Date, unless the Conversion Date occurs on an Interest Payment Date, the Trustee shall transfer from the Series A Collateral Account and deposit into the Credit Facility Interest Reimbursement Account, the interest accrued on the Series A Bonds from the Interest Payment Date immediately preceding the Conversion Date through, but not including, the Conversion Date, and after the Conversion Date, the Trustee shall deposit into the Credit Facility Interest Reimbursement Account, promptly upon receipt thereof, all amounts received from the Servicer, including, but not limited to, scheduled monthly interest collections pursuant to Section 3.3(a) of the Reimbursement Agreement, designated for deposit into such account. Amounts on deposit in the Credit Facility Interest Reimbursement Account shall be applied by the Trustee to

reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay interest on the Series A Bonds. On each Interest Payment Date following the Conversion Date, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington, D.C. time, from and to the extent of amounts on deposit in the Credit Facility Interest Reimbursement Account, an amount equal to the amount drawn by the Trustee under the Credit Facility to pay interest on the Series A Bonds on such date.

(b) Following the Conversion Date, the Trustee shall deposit into the Credit Facility Principal Reimbursement Account, promptly upon receipt thereof, all amounts received from the Servicer designated for deposit into such account, including, but not limited to, scheduled monthly principal deposits pursuant to Section 3.3(h) of the Reimbursement Agreement. Amounts on deposit in the Credit Facility Principal Reimbursement Account shall be applied by the Trustee to reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay principal on the Series A Bonds. On each maturity date for the Series A Bonds and each date the Series A Bonds are subject to optional or mandatory redemption, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington, D.C. time, from and to the extent of amounts on deposit in the Credit Facility Principal Reimbursement Account, an amount equal to the principal amount drawn by the Trustee under the Credit Facility to pay or redeem Series A Bonds in Authorized Denominations on such date.

(c) On and after the Conversion Date, in the event that the amounts on deposit in the respective accounts in the Credit Facility Reimbursement Fund are insufficient to reimburse the Credit Facility Provider (as provided in subsection (a) or (b) of this Section 4.07) the full amount to be drawn under the Credit Facility to pay interest or principal on the Series A Bonds, as applicable, the Trustee shall promptly give notice to the Credit Facility Provider, the Servicer and the Borrower of such deficiency and of the amount of such deficiency.

(d) All Investment Income on amounts on deposit in the Credit Facility Reimbursement Fund shall be retained in and credited to and become a part of the amounts on deposit in the respective accounts in such fund. Provided that (as confirmed by the Trustee with the Servicer or the Credit Facility Provider) (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund, or any Custodial Escrow Account, (ii) no event of default exists under the Bond Loan, (iii) no Event of Default exists hereunder or under any of the other Borrower Documents (as defined in the Reimbursement Agreement), and (iv) the Credit Facility Provider has been fully reimbursed for amounts drawn on the Credit Facility, the Trustee, without the need for any further direction, shall pay such Investment Income to the Borrower on the Interest Payment Date next succeeding receipt thereof (after making all payments specified in this Section 4.07).

(e) At the written direction of the Credit Facility Provider, the amounts on deposit in the Credit Facility Reimbursement Fund shall be used by the Trustee to pay any amounts required to be paid by the Borrower under any Bond Loan Document, to pay any amounts owed to the Credit Facility Provider in connection with any loan purchased by the Credit Facility Provider and secured by the Project, or to pay any other amount agreed to in writing by the Borrower and the Credit Facility Provider; provided that the amounts on deposit in the Credit Facility Reimbursement Fund shall, upon the occurrence of an event of default under any Bond Loan Document, be used in any manner and for any purpose specified by the Credit Facility Provider.

(f) At the written request of the Borrower, the Credit Facility Provider, in its sole and absolute discretion, may (i) consent to the release of all or a portion of the amounts on deposit in the Credit Facility Reimbursement Fund to the Borrower (in which case the Trustee shall release such amounts to the Borrower, provided that if, in the judgment of the Rebate Analyst, the amount on deposit in the Rebate Fund at such time is less than the amount required under Section 4.12 hereof to be rebated to the United States Department of the Treasury, then prior to any such release to the Borrower, any amounts on deposit in the Credit Facility Reimbursement Fund (up to the amount of such deficiency) shall be transferred to the Rebate Fund) and/or (ii) reduce or no longer require deposits to the Credit Facility Reimbursement Fund.

(g) Any amounts remaining in the Credit Facility Reimbursement Fund after payment in full of the principal of and interest on the Series A Bonds and reimbursement of the Credit Facility Provider for all amounts drawn under the Credit Facility shall be applied as provided in Section 4.11 hereof.

Section 4.08 Investment of Funds. The money held by the Trustee shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by the Trustee, at the written direction of the Borrower (or, in the case of the Rebate Fund, subject to Section 4.12 and Section 5.07(b)), in Qualified Investments that (subject to the provisions in this Section 4.08) mature or shall be subject to redemption or withdrawal at par without penalty on or prior to the date such money is needed; provided, that all amounts on deposit in the Credit Facility Reimbursement Fund and the Credit Facility Account in the Revenue Fund shall be held uninvested or shall be invested only in Government Obligations or in Qualified Investments of the type described in subparagraph (g) of the definition thereof which, in any case, shall mature or be subject to redemption or withdrawal at par without penalty on or prior to the earlier of (i) 30 days from the date of investment and (ii) the date such money is required to be applied pursuant to the provisions of this Indenture. In the absence of written direction from the Borrower, the Trustee shall invest amounts on deposit in the funds and accounts established under this Indenture in Government Obligations or in investments of the type described in subparagraph (g) of the definition of Qualified Investments which shall have the same maturity and other restrictions as set forth above. Such investments may be made through the investment or securities department of the Trustee. The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized. The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in other Sections hereof, the interest thereon and any profit arising on the sale thereof shall be credited to the Series A General Account, prior to the Conversion Date, and to the General Account, following the Conversion Date, and any loss resulting on the sale thereof shall be charged against the applicable account. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an

investment of money in that fund or account. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

Notwithstanding anything else contained in this Section 4.08, with respect to the Series A Bonds, prior to the Conversion Date, at the direction of the Borrower, the Trustee is permitted to invest in Qualified Investments that mature on or before the Conversion Date Deadline but is not permitted to sell or otherwise dispose of such Qualified Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection. Notwithstanding anything else contained in this Section 4.08, with respect to the Series B Bonds, prior to the Initial Mandatory Tender Date, at the direction of the Borrower, the Trustee is permitted to invest in Qualified Investments that mature on or before the Initial Mandatory Tender Date but is not permitted to sell or otherwise dispose of such Qualified Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection.

Following the Delivery Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Qualified Investments with a Cash Flow Projection. Notwithstanding anything herein to the contrary, (i) earnings received by the Trustee with respect to Qualified Investments purchased for the purpose of paying debt service on the Bonds shall be held uninvested and (ii) Bond proceeds and the Negative Arbitrage Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Qualified Investments. Following the Conversion Date, the delivery of a Cash Flow Projection shall not be a requirement to the purchase, sale or exchange of a Qualified Investment.

The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Issuer specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Section 4.09 Money Held for Particular Bonds; Funds Held in Trust. The amounts held by the Trustee for the payment of the interest, principal or redemption price due on any date with respect to particular Bonds pending such payment, shall be set aside and held in trust by it for the Holders of the Bonds entitled thereto, and for the purposes hereof such interest, principal or redemption price, after the due date thereof, shall no longer be considered to be unpaid.

All money held by the Trustee for such purpose at any time pursuant to the terms of this Indenture shall be and hereby is assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 4.10 Accounting Records. The Trustee shall maintain accurate books and records for all funds and accounts established hereunder and provide monthly statements (or other electronic access as agreed to by the parties) of such funds and accounts to the Issuer, the Borrower and the Servicer.

Section 4.11 Amounts Remaining in Funds. Following the Conversion Date and the full payment of the Series A Bonds (or provision for payment thereof having been made in accordance with Section 9.01 hereof) and full payment of the fees, charges and expenses of the Issuer and the Trustee and other amounts required to be paid hereunder or under any Bond Loan Document, including, but not limited to, the Credit Facility and the Reimbursement Agreement, any amounts remaining in any fund or account hereunder other than the Rebate Fund shall be paid to the Borrower; provided however, that if an event of default (after expiration of any notice and cure period, if applicable) shall have occurred and remain uncured under any Bond Loan Document of which the Trustee shall have received written notice from the Credit Facility Provider or the Servicer, then any such amounts remaining in any fund or account hereunder shall be paid to the Credit Facility Provider in accordance with the Reimbursement Agreement.

Following the full payment of the Series B Bonds, any amounts remaining in the Series A General Account, the Series A Negative Arbitrage Account, the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund and in the Collateral Fund shall be released to the Borrower.

Section 4.12 Rebate Fund; Compliance with Tax Certificate. The Rebate Fund shall be established, when needed, by the Trustee and held and applied as provided in this Section 4.12. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the rebate requirement (as set forth in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the government of the United States of America, and none of the Issuer, the Borrower, the Credit Facility Provider or the Bondholders shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.12 and by the Tax Certificate. The Trustee shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Issuer, Bond Counsel or the Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax Certificate, and shall not be required to take any actions under the Tax Certificate in the absence of written instructions from the Issuer, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Bond Year, the Borrower shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Bond Year as a (computation) date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “Rebatable Arbitrage”). Pursuant to Section 2.4 of the Financing Agreement, the Borrower shall cause the Rebate Analyst to provide such calculations to the Trustee and the Issuer. In the event that the Borrower fails to provide such information to the Trustee and the Issuer within 55 days of the end of each fifth Bond Year, the Trustee, at the expense of the Borrower, shall select the Rebate Analyst, with the prior written approval of the Issuer, and shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage as required herein.

Within 55 days of the end of each fifth Bond Year, upon the written direction of the Issuer, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Trustee from amounts provided by the Borrower, if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

The Trustee shall pay, as directed by the Issuer, Bond Counsel or the Rebate Analyst, to the United States Department of the Treasury, out of amounts in the Rebate Fund:

(i) Not later than 60 days after the end of (A) the fifth Bond Year, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(ii) Not later than 60 days after the payment of all the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other address provided in such direction), on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be prepared by the Rebate Analyst and provided to the Trustee.

Notwithstanding any provision of this Indenture to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States of America and to comply with all other requirements of Sections 2.4 and 4.3 of the Financing Agreement and this Section 4.12, and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebate requirement (as set forth in the Tax Certificate), or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Borrower.

The Trustee shall obtain and keep such records of the computations made pursuant to this Section 4.12 as are required under Section 148(f) of the Code to the extent furnished to the Trustee. The Borrower shall or shall cause the Rebate Analyst to provide to the Issuer and the Trustee copies of all rebate computations made pursuant to this Section 4.12. The Trustee shall keep and make available to the Borrower such records concerning the investments of the gross proceeds of the Bonds and the investments of earnings from those investments made by the Trustee as may be requested by the Borrower in order to enable the Borrower to cause the Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage need not be made to the extent that neither the Issuer nor the Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on an opinion of Bond Counsel, to the effect that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, a copy of which shall be provided to the Trustee, at the expense of the Borrower.

Section 4.13 Cost of Issuance Fund. The Trustee shall use money on deposit to the credit of the Cost of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter in accordance with Requisitions in the form attached hereto as Exhibit B signed by the Borrower or written instructions to be given to the Trustee by the Borrower, as set forth in the Bond Closing Memorandum (and accepted and agreed to by the Borrower) on the Delivery Date, upon delivery to the Trustee of appropriate invoices for such expenses; provided that Costs of Issuance may also be disbursed by the title company in accordance with the Bond Closing Memorandum on the Delivery Date from deposits made with the title company by the Borrower. Amounts in the Cost of Issuance Fund funded with proceeds of the Bonds, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Cost of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Cost of Issuance Fund (excluding Bond proceeds) six (6) months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Trustee shall close the Cost of Issuance Fund.

Section 4.14 Reports From the Trustee. Following the Conversion Date, the Trustee shall, on or before the fifteenth (15th) day of each month, file with the Multifamily Loan Servicing Department of the Credit Facility Provider, the Issuer, and the Borrower a statement setting forth in respect of the preceding calendar month:

- (i) the amount withdrawn or transferred by it, and the amount deposited within or on account of each fund and account held by it under the provisions of this Indenture, including the amount of Investment Income on each fund and account;
- (ii) the amount on deposit with it at the end of such month to the credit of each fund and account;
- (iii) a brief description of all obligations held by it as an investment of money in each such fund and account; and
- (iv) any other information which the Credit Facility Provider or the Issuer may reasonably request and to which the Trustee has access in the ordinary course of its operations.

At all times, upon the written request of any Bondholder or the Rating Agency, the Trustee, at the cost of the Borrower, shall provide a copy of such statement to such Bondholder or the Rating Agency, as applicable. All records and files pertaining to the Trust Estate shall be open at all reasonable times to the inspection of the Issuer and the Credit Facility Provider (but only following the Conversion Date) and their agents and representatives upon reasonable prior notice during normal business hours.

Section 4.15 Payments Under Bond Loan Following Conversion Date. The Trustee and the Issuer hereby expressly acknowledge that, following the Conversion Date, references in this Indenture to payments or prepayments of the Bond Loan shall, for all purposes of this Indenture, refer solely to such portion of such payments or prepayments actually paid by the Credit Facility Provider to the Trustee as Guaranteed Payments pursuant to the Credit Facility for which the Borrower has correspondingly reimbursed the Credit Facility Provider in an amount equal to

the Guaranteed Payments. Without in any way limiting the foregoing, the Trustee and the Issuer hereby acknowledge that, pursuant to the Guide, following the Conversion Date, the Servicer will pay the Freddie Mac Credit Enhancement Fee and the Ordinary Servicing Fees and Expenses from payments under the Bond Loan made by the Borrower prior to remitting the balance of such payments or prepayments to the Trustee for application as provided in this Indenture.

Section 4.16 Collateral Fund.

Prior to the release of any amounts in the Bond Proceeds Fund, the Trustee shall deposit into the applicable Account of the Collateral Fund, all Eligible Funds received pursuant to Section 4.02 designated for deposit into the applicable Account of the Collateral Fund and any other Eligible Funds received by the Trustee for deposit into the applicable Account of the Collateral Fund. Except (i) as described in the Bond Closing Memorandum and permitted under Section 4.01 hereof, the Borrower is required to cause Eligible Funds to be paid to the Trustee for deposit into the applicable Account of the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the corresponding amount from the applicable Bond Proceeds Fund to be disbursed by the Trustee to pay Costs of the Project.

Subject to the provisions hereof, (i) each deposit into the Series A Collateral Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series A Bonds, and (ii) each deposit into the Series B Collateral Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series B Bonds.

With respect to the Series A Bonds, prior to the Conversion Date, money in the Series A Collateral Account shall be transferred by the Trustee (to the extent money is not otherwise available) to the Series A General Account in the Revenue Fund as provided in Section 4.03(b)(i), in an amount, together with other available funds, necessary to pay amounts due on the Series A Bonds, including any applicable redemption pursuant to Article III hereof. On the Conversion Date, unless the Conversion Date occurs on an Interest Payment Date, the Trustee shall transfer from the Series A Collateral Account and deposit into the Credit Facility Interest Reimbursement Account, the interest accrued on the Series A Bonds from the Interest Payment Date immediately preceding the Conversion Date through, but not including, the Conversion Date. With respect to the Series A Bonds, on the Conversion Date, upon delivery of the Credit Facility and after making the transfer required to the Credit Facility Interest Reimbursement Account, the Trustee is authorized to release an amount from the Series A Collateral Account as set forth in Section 4.19.

With respect to the Series B Bonds, money in the Series B Collateral Account shall be transferred by the Trustee (to the extent money is not otherwise available) to the Series B General Account in the Revenue Fund as provided in Section 4.03(b)(ii), in an amount, together with other available funds, necessary to pay amounts due on the Series B Bonds including any applicable redemption pursuant to Article III hereof.

Prior to the Conversion Date, the Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the applicable account of the Collateral Fund is transferred to the applicable account of the Revenue Fund and applied to the payment of the principal of any of the Bonds, or the principal component of the redemption price of any of the Bonds, all as provided in this Indenture.

Notwithstanding anything herein to the contrary, on the Delivery Date, the Trustee is authorized to transfer amounts described in the Bond Closing Memorandum, if any, without a corresponding deposit of Eligible Funds into the Collateral Fund.

Section 4.17 Draws Under Credit Facility. Following the Conversion Date, the Credit Facility shall be held by the Trustee and drawn upon in accordance with its terms and the provisions of this Indenture. Money derived from draws upon the Credit Facility shall be deposited in the Credit Facility Account and applied by the Trustee to pay the principal of and interest on the Series A Bonds, and, in the event of a purchase of the Series A Bonds in lieu of redemption pursuant to Section 3.06 hereof, to pay, to the extent provided in the Credit Facility, the Purchase Price of the Series A Bonds in accordance with this Indenture.

Following the Conversion Date, the Trustee shall draw money under the Credit Facility in accordance with the terms thereof when needed and in amounts sufficient to make timely payments of the principal of and interest, but not premium, on the Series A Bonds when due and payable (i.e., on any Interest Payment Date or any Settlement Date).

Should the Credit Facility Provider become the owner of the Project by foreclosure or otherwise, the Trustee shall nevertheless continue to make payments on the Series A Bonds only from draws on the Credit Facility or from other Eligible Funds.

The Trustee shall send to the Borrower via Electronic Notice a copy of any documents which are presented to the Credit Facility Provider in connection with a drawing on the Credit Facility concurrently with its submission of those documents to the Credit Facility Provider, if requested to do so by the Borrower.

Section 4.18 Notices Under Credit Facility. The Trustee hereby agrees to provide to the Credit Facility Provider all such notices, including any notice of failure to receive a payment, as shall be required under the Credit Facility in the manner and within the periods of time provided therein and the Trustee and the Issuer hereby acknowledge that certain notices constitute a condition precedent to payment by the Credit Facility Provider under the Credit Facility.

Section 4.19 Application of Funds on the Conversion Date. On the Conversion Date, after any partial redemption of the Series A Bonds pursuant to Section 3.01(b)(v) and upon delivery of the Credit Facility and after making the deposit required by Section 4.16 to the Credit Facility Interest Reimbursement Account, the Trustee is authorized to release and transfer to the Construction Lender, as repayment of a portion of the Construction Loan, remaining amounts on deposit in the Series A Collateral Account, as set forth in a written direction of the Borrower.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal and Interest. Each and every covenant made in this Indenture, including all covenants made in the several sections of this Article, is predicated upon the condition that the Bonds are special limited obligations of the Issuer payable solely from and secured by the Trust Estate pledged therefor. Nothing in the Bonds or in this Indenture shall be construed as pledging any other funds or assets of the Issuer.

The Issuer covenants that it will promptly cause the Trustee to pay, as provided herein, the principal of and interest on the Bonds when due solely from the Trust Estate at the place, on the date and in the manner provided herein and in the Bonds.

Section 5.02 Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all of its covenants and undertakings contained in this Indenture, and in any and every Bond executed, authenticated and delivered hereunder; subject, however to the limitations set forth in Section 2.03. The Issuer represents that it is duly authorized under the laws of the State to issue the Bonds, to enter into this Indenture and the Financing Agreement and to assign the Revenues, and that upon issuance, authentication, and delivery, the Bonds are and will be valid and enforceable special limited obligations of the Issuer according to the import thereof.

Section 5.03 Instruments of Further Assurance. At the sole cost and expense of the Borrower, the Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered by the parties within its control, such indentures supplemental hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section 5.03. The Issuer covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Trust Estate or the revenues or receipts therefrom.

The Issuer will promptly notify the Trustee and, so long as Freddie Mac is the Credit Facility Provider, the Servicer in writing of the occurrence of any of the following:

- (i) the submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against the Issuer with respect to the Bonds;
- (ii) Reserved;
- (iii) the occurrence of any default or Event of Default of which the Issuer has actual knowledge;
- (iv) the commencement of any proceedings or any proceedings instituted by or against the Issuer in any federal, state or local court or before any governmental body or agency, or before any arbitration board, relating to the Bonds; or
- (v) the commencement of any proceedings by or against the Issuer under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in

which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Issuer or any of its assets relating to the Bonds.

Section 5.04 Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior notice, during normal business hours, be open to inspection and copying by such accountants or other agents as the Trustee or the Credit Facility Provider may from time to time reasonably designate.

Section 5.05 No Modification of Security; Additional Indebtedness. The Issuer covenants that it will not, without the written consent of the Trustee and the Credit Facility Provider, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which the Issuer is a party, or which has been assigned to the Issuer, and which relates to or affects the security for the Bonds or, following the Conversion Date, the payment of any amount owed to the Credit Facility Provider. The Issuer further covenants not to create any lien upon the Trust Estate or any part thereof other than the lien created hereby and, following the Conversion Date, by the Bond Mortgage and the Reimbursement Mortgage without the prior written consent of the Credit Facility Provider.

Section 5.06 Damage, Destruction or Condemnation. Subject to the provisions of the Intercreditor Agreement, Net Proceeds resulting from casualty to or condemnation of the Project shall be applied as provided in the Bond Loan Documents and, to the extent consistent therewith, Section 3.01(b)(i) hereof.

Section 5.07 Tax Covenants. The Issuer and the Trustee each agrees that it will not (a) take any action, (b) fail to take any action, or (c) make any use of the Project or the proceeds of the Bonds, which it knows would cause the interest on any of the Bonds to be or become included in the gross income of the owners thereof for federal income tax purposes (except for minimum or preference tax purposes or other indirect taxation). In connection with the foregoing, the Issuer and the Trustee may conclusively rely upon the advice of Bond Counsel.

The Trustee agrees that it will invest funds held under this Indenture in accordance with the covenants and terms of this Indenture and the Tax Certificate (this covenant shall extend through the term of the Bonds, to all funds and accounts created under this Indenture and all money on deposit to the credit of any such fund or account). The Trustee covenants to and for the benefit of the Bondholders that, notwithstanding any other provisions of this Indenture or of any other Bond Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Bonds to be classified as “arbitrage bonds” within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Bonds to be includable in gross income for federal income tax purposes; provided that the Trustee shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Issuer, the Credit Facility Provider, Bond Counsel or the Rebate Analyst. This covenant shall extend, throughout the term of the Bonds, to all funds created under this Indenture and all money on deposit to the credit of any such fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Indenture, the Trustee obligates itself to comply throughout the term of the issue of the Bonds with the requirements of Sections 103(b) and 148 of the Code;

provided that the Trustee shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Issuer, Bond Counsel or the Rebate Analyst. The Trustee further covenants that should the Issuer or the Borrower file with the Trustee (it being understood that neither the Issuer nor the Borrower has an obligation to so file), or should the Trustee receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become "arbitrage bonds," then the Trustee will comply with any written instructions of the Issuer, the Borrower, the Credit Facility Provider or Bond Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Bonds from becoming "arbitrage bonds," and the Trustee will bear no liability to the Issuer, the Borrower, the Bondholders or the Credit Facility Provider for investments made in accordance with such instructions.

Section 5.08 Representations of the Issuer. The Issuer represents that it is duly authorized under the laws of the State to issue the Bonds, to enter into this Indenture and the Financing Agreement and to assign the Revenues, and that, upon issuance, authentication and delivery, the Bonds are and will be valid and enforceable special limited obligations of the Issuer according to the import thereof.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 6.01 Events of Default. Each of the following shall be an event of default with respect to the Bonds (an “Event of Default”) under this Indenture:

(a) failure to pay the principal of, premium, if any, or interest on any Bond (other than Purchased Bonds) when due, whether on an Interest Payment Date, at the stated maturity thereof, by proceedings for redemption thereof, by acceleration or otherwise; or

(b) following the Conversion Date, failure by the Credit Facility Provider to make when due a required payment under the Credit Facility; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Issuer (other than those set forth in Section 5.01 hereof) set forth in this Indenture or in the Bonds and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified herein for particular defaults) after written notice thereof (which notice shall be effective only with the written consent of the Credit Facility Provider (following the Conversion Date) if no Event of Default has occurred and is then continuing under Section 6.01(b) hereof) to the Issuer from the Trustee or the Holders of more than 51% of the aggregate principal amount of the applicable Bonds then Outstanding at such time specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Issuer commences the required cure within such thirty (30) day period and continues the cure with diligence and the Issuer reasonably anticipates that the default could be cured within ninety (90) days, the Issuer shall have ninety (90) days following receipt of such notice to effect the cure.

The Trustee and the Issuer agree that, notwithstanding the provisions hereof, no default under the terms of this Indenture shall be construed as resulting in a default under the Bond Note, the Bond Mortgage or any other Bond Loan Document, unless such event also constitutes an event of default thereunder.

The Trustee will immediately notify the Issuer, Borrower, the Investor Member, the Special Member, the Servicer and the Credit Facility Provider after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

Section 6.02 Acceleration; Other Remedies Upon Event of Default.

Upon the occurrence of an Event of Default under Section 6.01(b) hereof, the Trustee shall, upon the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding and receipt of indemnity satisfactory to it, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

Upon the occurrence of an Event of Default (other than an Event of Default under Section 6.01(b) hereof), the Trustee may, or prior to Conversion shall at the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding, or following the Conversion Date shall but only upon receipt from the Credit Facility Provider of a notice directing such acceleration (which notice may be given in the sole discretion of the Credit Facility Provider), by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and, following the Conversion Date, upon the Credit Facility Provider's having honored a properly presented and conforming draw under the Credit Facility to pay such amounts, interest on the Series A Bonds shall cease to accrue, anything contained in this Indenture or in the Series A Bonds to the contrary notwithstanding.

Prior to the Conversion Date, the payment on the Bonds resulting from a declaration of acceleration on the Bonds as the result of the occurrence of an Event of Default under Section 6.01(a) or 6.01(c) hereof shall be made from the applicable accounts of the Revenue Fund, the Bond Proceeds Fund and the Collateral Fund.

Following the Conversion Date, the payment on the Series A Bonds resulting from a declaration of acceleration on the Series A Bonds as the result of the occurrence of an Event of Default under Section 6.01(a) or 6.01(c) hereof shall be made from the Credit Facility.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower or the Credit Facility Provider, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) upon all the Bonds then due, with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Trustee (including its counsel) shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Reimbursement Agreement (including, without limitation, with respect to the Credit Facility Provider all outstanding amounts owed to the Credit Facility Provider and all fees owed to the Credit Facility Provider) (collectively, the "Cure Amount") shall have been paid in full, and all other defaults hereunder shall have been made good or cured or waived in writing by the Credit Facility Provider (or, if an Event of Default under Section 6.01(b) hereof has occurred and is then continuing, by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding), then and in every case, the Trustee on behalf of the Holders of all the Outstanding Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon. Notwithstanding the foregoing provisions of this paragraph, in the event the Cure Amount is derived in whole or in part from a draw on the Credit Facility, any such rescission or annulment of such declaration of acceleration shall not occur without the written consent of the Credit Facility Provider.

Upon the occurrence and during the continuance of an Event of Default, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Bonds with respect to which such an Event of Default has occurred and of the Credit

Facility Provider (if no Event of Default has occurred and is continuing under Section 6.01(b) hereof), may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the Holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under this Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights; provided that following the Conversion Date, so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, the Trustee may undertake any such remedy only upon the receipt of the prior written consent of the Credit Facility Provider (which consent may be given in the sole discretion of the Credit Facility Provider):

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, premium, if any, or interest on the Bonds then Outstanding and to require the Issuer or the Credit Facility Provider to carry out any covenants or agreements with or for the benefit of the Bondholders and to perform its duties under the Act, this Indenture, the Financing Agreement, the Regulatory Agreement or the Credit Facility (as applicable) to the extent permitted under the applicable provisions thereof;

(ii) by pursuing any available remedies under the Financing Agreement, the Regulatory Agreement, the Credit Facility or any other Bond Financing Document;

(iii) by realizing or causing to be realized through sale or otherwise upon the security pledged hereunder; and

(iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Holders of the Bonds and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Credit Facility Provider or the Bondholders hereunder or under the Financing Agreement, the Regulatory Agreement, the Credit Facility, the Reimbursement Agreement or any other Bond Financing Document, as applicable, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Trustee, the Credit Facility Provider or the Bondholders, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

In all events the rights of the Trustee to exercise remedies under this Indenture upon the occurrence of an Event of Default shall be subject to the provisions of the Intercreditor Agreement.

Section 6.03 Rights of Bondholders. Prior to the Conversion Date, if an Event of Default under either Section 6.01(a) or Section 6.01(c) hereof shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interest of the affected Bondholders. Prior to the Conversion Date, if an Event of Default under either Section 6.01(a) or Section 6.01(c) hereof shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of Section 6.08 hereof, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Indenture.

Following the Conversion Date, if an Event of Default under Section 6.01(b) hereof shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which Event of Default has occurred, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interest of the affected Bondholders. If an Event of Default under Section 6.01(b) hereof shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of Section 6.08 hereof, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Indenture.

Section 6.04 Waiver by Issuer.

Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Issuer nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Indenture; and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and redemption to which it may be entitled under the laws of the State and the United States of America.

Section 6.05 Application of Money After Default. All money (other than amounts drawn from the Credit Facility under Section 6.02 hereof) collected by the Trustee at any time pursuant to this Article shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee, prior to the Conversion Date, to the Series A General Account and Series B General Account and, following the Conversion Date, to the General Account, each in the Revenue Fund. Such money so credited to such accounts and all other money

from time to time credited to such accounts in the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article IV hereof and this Section 6.05.

In the event that at any time the money credited to the Revenue Fund and the Redemption Fund available for the payment of interest or principal then due with respect to the Bonds shall be insufficient for such payment, such money (other than money held for the payment or redemption of particular Bonds as provided in Section 4.09 hereof and amounts drawn from the Credit Facility under Section 6.02 hereof) shall be applied as follows and in the following order of priority:

(a) For payment of all amounts due to the Trustee incurred in performance of its duties under this Indenture, including, without limitation, the payment of all reasonable fees and expenses of the Trustee incurred in exercising any remedies under this Indenture.

(b) Following the Conversion Date, so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, for the payment to the Credit Facility Provider of all amounts then due and unpaid under the Reimbursement Agreement (including with respect to Freddie Mac all Freddie Mac Credit Enhancement Fees and Freddie Mac Reimbursement Amounts).

(c) Unless the principal of all Bonds shall have become or have been declared due and payable:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available is not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference; and

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of and premium, if any (which payment of premium shall not be restricted to Eligible Funds), on any Bonds which shall have become due, whether at maturity or by call for redemption, in the order in which they became due and payable, and, if the amount available is not sufficient to pay in full all the principal of and premium, if any, on the Bonds so due on any date, then to the payment of principal ratably, according to the amounts due on such date, to the Persons entitled thereto, without any discrimination or preference, and then to the payment of any premium due on the Bonds, ratably, according to the amounts due on such date, to the Persons entitled thereto, without any discrimination or preference.

(d) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal of, premium, if any (which payment of premium shall not be restricted to Eligible Funds), and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal, premium and interest, to the Persons entitled thereto without any discrimination or preference except as to any differences in the respective rates of interest specified in the Bonds.

(e) Following the Conversion Date, if an Event of Default has occurred and is then continuing under Section 6.01(b) hereof, for the payment to the Credit Facility Provider of all amounts then due and unpaid under the Reimbursement Agreement to the date of such Event of Default.

(f) To the payment of fees then due and owing to the Issuer.

Section 6.06 Rights of the Credit Facility Provider. Following the Conversion Date, if an Event of Default under Section 6.01(a) or Section 6.01(c) hereof shall have occurred and so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, upon receipt of the written direction of the Credit Facility Provider (which direction may be given in the sole discretion of the Credit Facility Provider), the Trustee shall be obligated to exercise any right or power conferred by this Article in the manner set forth in such written direction of the Credit Facility Provider. If such written direction expressly states that the Trustee may exercise one or more of the rights and powers conferred in this Article as the Trustee shall deem to be in the interest of the Holders of the Series A Bonds and the Credit Facility Provider, the Trustee, being advised by counsel or a committee of Responsible Officers, shall exercise one or more of such rights and powers as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interests of the Holders of the Series A Bonds and the Credit Facility Provider; provided, however, that in any event, so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, the Trustee may not undertake any action to realize, through sale or otherwise, upon the Bond Loan without the express written direction of the Credit Facility Provider. So long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, in the case of an Event of Default under Section 6.01(a) or Section 6.01(c) hereof, the Credit Facility Provider shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Indenture.

Section 6.07 Remedies Vested in Trustee. All rights of action, including the right to file proof of claims, under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery or judgment shall be for the mutual benefit as provided herein of all of the Holders of the Outstanding Bonds.

Section 6.08 Remedies of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default shall have occurred of which the Trustee shall have been notified as provided herein; (b) if following the Conversion Date, such default shall have become an Event of Default under Section 6.01(b) hereof; (c) the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which there is such an Event of Default shall have made written request to the Trustee and shall have offered reasonable opportunity to the Trustee either to proceed to exercise the powers hereinbefore granted or to

institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee indemnity as provided in this Indenture; and (e) the Trustee shall within sixty (60) days thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of Bonds or to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided with respect to the equal and ratable benefit of all Holders of Bonds with respect to which there is a default. Nothing contained in this Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed herein and in said Bonds.

Section 6.09 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee, the Credit Facility Provider, the Borrower and the Bondholders shall be restored to their former positions and rights hereunder with respect to the Trust Estate herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 6.10 Waivers of Events of Default. Prior to the Conversion Date, the Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds only at the written request of 51% of the Holders of the then Outstanding principal amount of Bonds. Following the Conversion Date, so long as no Event of Default has occurred and is then continuing under Section 6.01(b) hereof, the Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds only upon the written direction of the Credit Facility Provider. If there shall have occurred and is then continuing an Event of Default under Section 6.01(b) hereof, the Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the Holders of 100% of the Bonds then Outstanding with respect to which there is a default; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of any Bonds (other than Purchased Bonds) at the date of maturity specified therein, or upon proceedings for mandatory redemption of any Bonds (other than Purchased Bonds), (b) any default in the payment when due of the interest or premium on any such Bonds (other than Purchased Bonds), unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Credit Facility Provider and the Bondholders shall

be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.11 Notice to Bondholders if Default Occurs. Upon the occurrence of an Event of Default, or if an event occurs which could lead to an Event of Default with the passage of time and of which the Trustee is required to take notice pursuant to Section 7.02(1) hereof, the Trustee shall, within thirty (30) days, give written notice thereof by first class mail to the registered Owners of all Bonds then Outstanding. Notwithstanding the foregoing, except in the case of an Event of Default with respect to the payment of principal of or premium, if any, and interest on the Bonds, the Trustee shall be protected in withholding such notice if and so long as the board of directors of the Trustee, the executive committee, or a trust committee of directors or officers of the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds.

ARTICLE VII

CONCERNING THE TRUSTEE AND THE REMARKETING AGENT

Section 7.01 Standard of Care. The Trustee, prior to an Event of Default as defined in Section 6.01 hereof and after the curing or waiver of all such events which may have occurred, shall perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee, during the existence of any such Event of Default (which shall not have been cured or waived), shall exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under similar circumstances in the conduct of such Person's own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its breach of trust, own negligence or willful misconduct, except that:

(a) prior to an Event of Default hereunder, and after the curing or waiver of all such Events of Default which may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except with regard to the performance of such duties and obligations as are specifically set forth in this Indenture; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee by the Person or Persons authorized to furnish the same;

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee except for willful misconduct or negligence by the officer or employee of the Trustee as the case may be; and

(ii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Credit Facility Provider or the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding (or such lesser or greater percentage as is specifically required or permitted by this Indenture) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

Section 7.02 Reliance Upon Documents. Except as otherwise provided in Section 7.01 hereof:

(a) the Trustee may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, bond, or other paper or document of the proper party or parties, including any Electronic Notice as permitted hereunder or under the Financing Agreement;

(b) any notice, request, direction, election, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Issuer by an Authorized Officer of the Issuer (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of the Issuer may be evidenced to the Trustee by a copy of such resolution duly certified by an Authorized Officer of the Issuer;

(c) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by any Authorized Officer of the Borrower (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of the Borrower may be evidenced to the Trustee by a copy of such resolution duly certified by a secretary or other authorized representative of the Borrower;

(d) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Servicer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Servicer by an Authorized Officer of the Servicer (unless other evidence in respect thereof be herein specifically prescribed);

(e) any notice, request, direction, election, order or demand of the Credit Facility Provider mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Credit Facility Provider by any Authorized Officer of the Credit Facility Provider (unless other evidence in respect thereof be herein specifically prescribed);

(f) Intentionally Omitted;

(g) Intentionally Omitted;

(h) in the administration of the trusts of this Indenture, the Trustee may execute any of the trusts or powers hereby granted directly or through its agents, receivers or attorneys and shall not be responsible for the misconduct or negligence of such agents or attorneys appointed with due care, and the Trustee may consult with counsel (who may be counsel for the Issuer, the Servicer

or the Credit Facility Provider) and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or permitted by it hereunder in good faith and in accordance with the opinion of such counsel;

(i) whenever in the administration of the trusts of this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), may in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an officer or authorized agent of the Issuer or the Borrower and such certificate shall in the absence of bad faith on the part of the Trustee be full warrant to the Trustee for any action taken or permitted by it under the provisions of this Indenture, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable;

(j) the recitals herein and in the Bonds (except the Trustee's certificate of authentication thereon) shall be taken as the statements of the Issuer and the Borrower and shall not be considered as made by or imposing any obligation or liability upon the Trustee. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer or the Borrower to the Trust Estate, or as to the security of this Indenture, or of the Bonds issued hereunder, and the Trustee shall incur no liability or responsibility in respect of any of such matters;

(k) the Trustee shall not be personally liable for debts contracted or liability for damages incurred in the management or operation of the Trust Estate except for its own willful misconduct or negligence; and every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.02(k);

(l) the Trustee shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate the Trustee) herein or in any contracts or securities assigned or conveyed to or pledged with the Trustee hereunder, except Events of Default that are evident under Section 6.01(a) or 6.01(b) hereof. The Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default specified in Section 6.01 hereof (except defaults under Section 6.01(a) or 6.01(b) hereof) unless the Trustee shall receive from the Issuer, the Credit Facility Provider (if following the Conversion Date) or the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding written notice stating that a default or Event of Default has occurred and specifying the same, and in the absence of such notice the Trustee may conclusively assume that there is no such default. Every provision contained in this Indenture or related instruments or in any such contract or security wherein the duty of the Trustee depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.02(l);

(m) the Trustee shall be under no duty to confirm or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, except to the extent such statement or reports are furnished by or under the direction of the Trustee, and shall

be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by the Holder of any Bond; and

(n) the Trustee shall be under no obligation to exercise those rights or powers vested in it by this Indenture, other than such rights and powers which it shall be obliged to exercise in the ordinary course of its trusteeship under the terms and provisions of this Indenture and as required by law, at the request or direction of any of the Bondholders pursuant to Sections 6.03 and 6.08 hereof, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in the compliance with such request or direction.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

The Trustee is authorized and directed to execute in its capacity as Trustee the Financing Agreement, the Regulatory Agreement and the Intercreditor Agreement and shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

The Trustee or any of its affiliates may act as advisor or sponsor with respect to any Qualified Investments.

In no event shall the Trustee or an agent of the Trustee be responsible or liable for special, indirect, consequential, punitive or incidental loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee or an agent of the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; quarantine restrictions; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture and the Financing Agreement sent by Electronic Notice; provided, however, that the Issuer and Borrower and other parties as the case may be shall provide to the Trustee an incumbency certificate listing Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer, Borrower or other applicable parties elect to give the Trustee instructions by Electronic Notice and the Trustee in its discretion elects to act upon such instructions, the Trustee's

understanding of such instructions shall be deemed controlling. The Issuer, Borrower or other applicable parties agree that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer, Borrower or other applicable parties shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee, and the Issuer, Borrower or other applicable parties and the Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means. The Issuer, Borrower or other applicable parties agree (i) to assume all risks arising out of the use of such Electronic Notice to submit instructions and direction to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the use of Electronic Notice; (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

All notices, approvals, consents, requests and any communications to the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Issuer, Borrower or other applicable parties chooses to use electronic signatures to sign documents delivered to the Trustee, the Issuer agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

Any resolution, certification, notice, request, direction, election, order or demand delivered to the Trustee pursuant to this Section 7.02 shall remain in effect until the Trustee receives written notice to the contrary from the party that delivered such instrument accompanied by revised information for such party.

The Trustee shall have no responsibility for the value of any collateral or with respect to the perfection or priority of any security interest in any collateral except as otherwise provided in Section 7.17 hereof.

Section 7.03 Use of Proceeds. The Trustee shall not be accountable for the use or application of any of the Bonds authenticated or delivered hereunder or of the proceeds of the Bonds except as provided herein.

Section 7.04 Trustee May Hold Bonds. The Trustee and its officers and directors may acquire and hold, or become pledgees of Bonds and otherwise may deal with the Issuer and the Borrower in the same manner and to the same extent and with like effect as though it were not Trustee hereunder.

Section 7.05 Trust Imposed. All money received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which it was received.

Section 7.06 Compensation of Trustee. The Trustee shall be entitled to its Ordinary Trustee's Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of the Trustee hereunder or under any Bond Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. The Trustee shall be entitled to Extraordinary Trustee's Fees and Expenses in connection with any Extraordinary Services performed consistent with the duties hereunder or under any of the Bond Financing Documents; provided that following the Conversion Date, the Trustee shall not incur any Extraordinary Expenses without the consent of the Credit Facility Provider (except that no consent shall be required if an Event of Default under Section 6.01(b) hereof has occurred and is continuing). If any property, other than cash, shall at any time be held by the Trustee subject to this Indenture, or any supplemental indenture, as security for the Bonds, the Trustee, if and to the extent authorized by a receivership, bankruptcy, or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Indenture as such security for the Bonds, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other liens or encumbrances thereon. Payment to the Trustee for its services and reimbursement to the Trustee for its expenses, disbursements, liabilities and advances, shall be limited to the sources described in the Financing Agreement and in Sections 4.06, 4.11 and 6.05 hereof. Proceeds of draws on the Credit Facility shall not be used to pay or reimburse the Trustee for any such amounts. The Issuer shall have no liability for Trustee's fees, costs or expenses. Subject to the provisions of Section 7.09 hereof, the Trustee agrees that it shall continue to perform its duties hereunder (including, but not limited to, its duties as Paying Agent and Bond Registrar) and under the Bond Financing Documents even in the event that money designated for payment of its fees shall be insufficient for such purposes or in the event that the Borrower fails to pay the Ordinary Trustee's Fees and Expenses or, if applicable, the Extraordinary Trustee's Fees and Expenses as required by the Financing Agreement.

The Borrower shall indemnify and hold harmless the Trustee and its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants and servants, past, present or future, from and against (a) any and all claims by or on behalf of any person arising from any cause whatsoever in connection with this Indenture or transactions contemplated hereby, the Project, or the issuance, offering or sale of the Bonds; (b) any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project, or the issuance, offering or sale of the Bonds; and (c) all costs, reasonable counsel fees, expenses or liabilities incurred in connection with any such claim or

proceeding brought thereon; except that the Borrower shall not be required to indemnify any person for damages caused by the gross negligence, willful misconduct or unlawful acts of such person or which arise from events occurring after the Borrower ceases to own the Project. In the event that any action or proceeding is brought or claim made against the Trustee, or any of its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel to the extent a legal conflict exists in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel. The provisions of this Section 7.06 shall survive the termination of this Indenture or the removal or resignation of the Trustee.

Section 7.07 Qualifications of Trustee. There shall at all times be a Trustee hereunder which shall be an association or a corporation organized and doing business under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Trustee shall have a combined capital and surplus of at least \$50,000,000 (or shall be a wholly-owned subsidiary of an association or corporation that has such combined capital and surplus), and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to Section 7.11 hereof. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purposes of this Section 7.07, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.07 and another association or corporation is eligible, the Trustee shall resign immediately in the manner and with the effect specified in Section 7.09 hereof.

Section 7.08 Merger of Trustee. Any association or corporation into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any association or corporation resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Trustee hereunder and vested with all the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, and shall also be and become successor Trustee in respect of the beneficial interest of the Trustee in the Bond Loan.

Section 7.09 Resignation by the Trustee. The Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, the Borrower and the Credit Facility Provider, and by giving notice by certified mail or overnight delivery service to each Holder of the Bonds then Outstanding. Such notice to the Issuer, the Borrower and the Credit Facility Provider may be served personally or sent by certified mail or overnight delivery service. The resignation of the Trustee shall not be effective until a successor Trustee has been appointed as provided herein

and such successor Trustee shall have agreed in writing to be bound by the duties and obligations of the Trustee hereunder and under the Financing Agreement, the Regulatory Agreement, and, following the Conversion Date, the Intercreditor Agreement and the Credit Facility.

Section 7.10 Removal of the Trustee. The Trustee may be removed at any time, either with or without cause (and if following the Conversion Date, with the consent of the Credit Facility Provider, which consent of the Credit Facility Provider shall not be unreasonably withheld), by a written instrument signed by the Issuer and delivered to the Trustee and the Borrower, and if following the Conversion Date an Event of Default shall have occurred and be continuing, other than an Event of Default under Section 6.01(b) hereof, by a written instrument signed by the Credit Facility Provider and delivered to the Trustee, the Issuer and the Borrower. The Trustee may also be removed, if an Event of Default under Section 6.01(b) hereof shall have occurred and be continuing, by a written instrument or concurrent instruments signed by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding and delivered to the Trustee, the Issuer, the Borrower and the Credit Facility Provider. The Trustee may also be removed by the Credit Facility Provider (with the prior written consent of the Issuer, which consent shall not be unreasonably withheld) following notice to the Issuer and after a thirty (30) day period during which the Issuer may attempt to cause the Trustee to discharge its duties in a manner acceptable to Credit Facility Provider, and in each case written notice of such removal shall be given to the Servicer, the Borrower and to each registered Owner of Bonds then Outstanding as shown on the Bond Registrar. Any such removal shall take effect on the day specified in such written instrument(s), but the Trustee shall not be discharged from the trusts hereby created until a successor Trustee has been appointed and has accepted such appointment and has agreed in writing to be bound by the duties and obligations of the Trustee hereunder and under the Financing Agreement, the Regulatory Agreement, and the Intercreditor Agreement.

Section 7.11 Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Trustee or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Trustee hereunder, and the Issuer, with the written consent of the Credit Facility Provider if following the Conversion Date (which consent shall not be unreasonably withheld), shall promptly appoint a successor Trustee. Any such appointment shall be made by a written instrument executed by an Authorized Officer of the Issuer.

(b) If, in a proper case, no appointment of a successor Trustee shall be made pursuant to subsection (a) of this Section 7.11 within sixty (60) days following delivery of all required notices of resignation given pursuant to Section 7.09 hereof or of removal of the Trustee pursuant to Section 7.10 hereof, the retiring Trustee, at the cost of the Borrower, may apply to any court of competent jurisdiction to appoint a successor Trustee. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Section 7.12 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer a written

instrument accepting such appointment hereunder, accepting assignment of the beneficial interest in the Bond Mortgage, if applicable, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Trust Estate and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written Request of the Issuer, the Borrower or the Credit Facility Provider (if following the Conversion Date), or of its successor, and upon payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Trustee all the Trust Estate and the rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities, including, but not limited to, the existing Credit Facility, and money held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor Trustee for more fully and certainly vesting in such successor the Trust Estate and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded (if any). Each successor Trustee shall mail notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to the Owners of all Bonds Outstanding at their addresses on the Bond Register.

Section 7.13 Successor Trustee as Trustee, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which shall have resigned or shall have been removed shall cease to be trustee and paying agent on the Bonds and Bond Registrar, and the successor Trustee shall become such Trustee, Paying Agent and Bond Registrar.

Section 7.14 Appointment of Co-Trustee or Separate Trustee. It is the intent of the Issuer and the Trustee that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under or connected with this Indenture, the Financing Agreement or any of the other Bond Financing Documents, and, in particular, in case of the enforcement of any remedies on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein or therein granted to the Trustee or hold title to the properties in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee, with the consent of the Issuer, appoint an additional individual or institution as a co-trustee or separate trustee.

In the event that the Trustee appoints an additional individual or institution as a co-trustee or separate trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies granted to the Trustee herein or to hold title to the Trust Estate or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or vested in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vest in such separate trustee or co-

trustee, but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them, subject to the remaining provisions of this Section 7.14. Such co-trustee or separate trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Issuer and the Trustee.

Should any instrument in writing from the Issuer be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer, the Trustee and the Borrower. If the Issuer shall fail to deliver the same within thirty (30) days of such request, the Trustee is hereby appointed attorney-in-fact for the Issuer to execute, acknowledge and deliver such instruments in the Issuer's name and stead. In case any co-trustee or separate trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) The Bonds shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Indenture conferred upon the Trustee in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Trustee;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon or exercised or performed by the Trustee, or by the Trustee and such co-trustee, or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or separate trustee;

(c) any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co-trustee or separate trustee;

(d) any co-trustee or separate trustee to the extent permitted by law shall delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Trustee at any time by an instrument in writing with the concurrence of the Issuer evidenced by a certified resolution may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section 7.14 and in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of or remove any such co-trustee or separate trustee without the concurrence of the Issuer, and upon the request

of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 7.14;

(f) no Trustee or co-trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Bondholders and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee; and

(h) any money, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

The total compensation of the Trustee and any co-trustee or separate trustee shall be as, and may not exceed the amount, provided in Section 7.06 hereof.

Section 7.15 Notice of Certain Events. The Trustee shall give written notice to the Issuer, the Servicer and the Credit Facility Provider of any failure by the Borrower to comply with the terms of the Regulatory Agreement or any Market Risk Event of which a Responsible Officer has actual knowledge.

Section 7.16 Record of Freddie Mac Credit Enhancement Payments and Freddie Mac Reimbursement Amounts. Following the Conversion Date, the Trustee shall maintain records of all Freddie Mac Credit Enhancement Payments received by it from Freddie Mac under the Credit Enhancement Agreement and of all Freddie Mac Reimbursement Amounts paid by the Trustee to Freddie Mac or known by the Trustee to be due to Freddie Mac but unpaid from time to time. The Trustee hereby agrees, upon receipt of a written request from Freddie Mac, to cooperate with Freddie Mac and the Servicer in connection with the reconciliation of the Trustee's records maintained pursuant to this Section 7.16 and any similar records maintained by Freddie Mac or the Servicer.

Section 7.17 Filing of Financing Statements. The Trustee shall, at the expense of the Borrower, file or record or cause to be filed or recorded all UCC continuation statements for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Bonds pursuant to the authority of the UCC. Upon the filing of any such continuation statement the Trustee shall immediately notify the Issuer, the Borrower, the Credit Facility Provider (if following the Conversion Date) and the Servicer that the same has been done. If direction is given by the Servicer or the Credit Facility Provider, the Trustee shall file all continuation statements in accordance with such directions.

Section 7.18 USA Patriot Act Requirements of the Trustee. To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual Person such as a business entity, a charity,

a Trust, or other legal entity, the Trustee may request documentation to verify such Person's formation and existence as a legal entity. The Trustee may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such Person or other relevant documentation.

Section 7.19 Concerning the Remarketing Agent.

The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Series B Bonds. The Remarketing Agent shall designate to the Trustee its designated office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower and the Trustee. In addition, the Remarketing Agent will agree particularly to: keep such records relating to its computations of interest rates for the Series B Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee, the Borrower, the Investor Member, and the Special Member at all reasonable times; and

(b) perform all of its functions and duties under this Indenture.

The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent's obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent's obligations under this Indenture, and any such appointment shall be effective without any action by the Issuer or the Borrower being necessary; provided that any such co-Remarketing Agent, shall have a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the U.S. Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints.

Section 7.20 Qualification of Remarketing Agent.

The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice of such resignation to the Issuer, the Borrower, the Investor Member, the Special Member and the Trustee. The Remarketing Agent may be removed, with prior notice to and the prior consent of the Issuer, at any time by the Borrower, with at least 30 days' notice of such removal to the Remarketing Agent. Any successor Remarketing Agent appointed by the Borrower shall be subject to the prior written consent of the Issuer.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Series B Bonds are then rated) and to the holders of the Series B Bonds.

ARTICLE VIII

SUPPLEMENTAL INDENTURES AND AMENDMENTS OF CERTAIN DOCUMENTS

Section 8.01 Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may from time to time and at any time, without the consent of, or notice to, any of the Bondholders, but, with the prior written consent of the Credit Facility Provider if after the Conversion Date, enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

(a) to cure any formal defect, omission, inconsistency or ambiguity herein in a manner not materially adverse to the Holder of any Bond to be Outstanding after the effective date of the change;

(b) to grant to or confer upon the Trustee for the benefit of the Holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted or conferred and that are not contrary to or inconsistent with this Indenture or the rights of the Trustee hereunder as theretofore in effect;

(c) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under any state blue sky laws;

(e) to make such additions, deletions or modifications as may be, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Facility Provider, necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds;

(f) to modify, amend or supplement this Indenture as required by the Rating Agency to obtain or maintain a rating or ratings for the Bonds, except no change may be made that will materially adversely affect the interests of the Holders of the Bonds to be Outstanding after the effective date of the change;

(g) to implement or modify any secondary market disclosure requirements; and

(h) to modify, amend or supplement this Indenture in any other respect which is not materially adverse to the Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in Section 8.02 hereof.

Section 8.02 Supplemental Indentures Requiring Consent of Bondholders. The Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding shall have the right (provided that, following the Conversion Date, the exercise of such right shall require the prior written consent of the Credit Facility Provider), from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture not described in Section 8.01; provided, however, that nothing in this Section 8.02 contained shall permit, or be construed as permitting, (a) an extension of the time for payment of, or an extension of the stated maturity or reduction in the principal amount or reduction in the rate of interest on or extension of the time of payment, of interest on, or reduction of any premium payable on the redemption of, any Bonds, or a reduction in the Borrower's obligation on the Bond Note, without the consent of the Holders of all of the Bonds then Outstanding, (b) the creation of any lien prior to or on a parity with the lien of this Indenture, (c) a reduction in the aforesaid percentage of the principal amount of Bonds which is required in connection with the giving of consent to any such supplemental indenture, without the consent of the Holders of all of the Bonds then Outstanding, (d) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, (e) a privilege or priority of any Bond over any other Bonds, or (f) any action that results in the interest on the Bonds becoming included in gross income for federal income tax purposes.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 8.02, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all registered Bondholders and to the Credit Facility Provider. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders.

Thirty (30) days after the date of the mailing of such notice, the Issuer and the Trustee may enter into such supplemental indenture substantially in the form described in such notice, but only if there shall have first been or is simultaneously delivered to the Trustee the required consents, in writing, of the Credit Facility Provider and the Holders of not less than the percentage of Bonds required by this Section 8.02. If the Holders of not less than the percentage of Bonds required by this Section 8.02 shall have consented to and approved the execution and delivery of a supplemental indenture as provided herein, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 8.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article.

Anything in this Article VIII to the contrary notwithstanding, unless the Borrower shall then be in default of any of its obligations under the Financing Agreement, the Reimbursement Agreement, the Regulatory Agreement, the Bond Note, the Bond Mortgage or the Reimbursement Mortgage, a supplemental indenture under this Article which affects any rights of the Borrower shall not become effective unless and until the Borrower shall have expressly consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Borrower or the Borrower's attorney at least fifteen (15) days prior to the proposed date of execution and delivery of any supplemental indenture.

Notwithstanding any other provision of this Indenture, the Issuer and the Trustee may consent to any supplemental indenture upon receipt of the consent of the Credit Facility Provider (if following the Conversion Date), the Holders of all Bonds then Outstanding and, as applicable, the Borrower.

Section 8.03 Amendments to Financing Agreement Not Requiring Consent of Bondholders. The Trustee shall, without the consent of, or notice to, the Bondholders, but with the consent of the Borrower and the Credit Facility Provider (if following the Conversion Date), consent to any amendment, change or modification of the Financing Agreement as follows:

(a) as may be required by the provisions of the Credit Facility, the Financing Agreement or this Indenture;

(b) to cure any formal defect, omission, inconsistency or ambiguity in the Financing Agreement in a manner not materially adverse to the Holder of any Bond to be Outstanding after the effective date of the change;

(c) to make such additions, deletions or modifications as may be necessary, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Facility Provider, to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds;

(d) to modify, amend or supplement the Financing Agreement as required by the Rating Agency to obtain or maintain a rating or ratings for the Bonds, except no change may be made that will materially adversely affect the interests of the Holders of the Bonds to be Outstanding after the effective date of the change; or

(e) to modify, amend or supplement the Financing Agreement in any other respect which is not materially adverse to the Trustee or Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in Section 8.04 hereof.

Section 8.04 Amendments to Financing Agreement Requiring Consent of Bondholders. Except for the amendments, changes or modifications of the Financing Agreement as provided in Section 8.03 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Financing Agreement without the consent of the Credit Facility Provider (if following the Conversion Date) and the Borrower, and without the giving of notice and the written approval or consent of the Holders of at least 51% of the aggregate principal amount of the Bonds then Outstanding given and procured in accordance with the procedure set forth in Section 8.02 hereof; provided, however, that nothing contained in this Section 8.04 shall

permit, or be construed as permitting, any amendment, change or modification of the Borrower's obligation to make the payments required under the Financing Agreement without the consent of the Holders of all of the Bonds then Outstanding. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Agreement, the Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 8.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by Bondholders.

Section 8.05 Amendments to the Credit Facility. The Trustee may, without the consent of, or notice to, any of the Bondholders enter into any amendment, change or modification of the Credit Facility (a) as may be required by the provisions of the Credit Facility, (b) to cure any formal defect, omission, inconsistency or ambiguity in the Credit Facility, (c) in a manner which is not prejudicial to the interests of the Bondholders as determined by the Trustee being advised by counsel, a committee of Responsible Officers or by a written confirmation from the Rating Agency of the then existing rating on the Bonds, or (d) as required by the Rating Agency to maintain the then current rating on the Bonds.

Section 8.06 Opinion of Bond Counsel Required. No supplement or amendment to the Financing Agreement or this Indenture, as described in this Article VIII, shall be effective until the Issuer, the Trustee and the Credit Facility Provider (if following the Conversion Date) shall have received an opinion of Bond Counsel to the effect that such supplement or amendment is authorized or permitted by this Indenture and, upon execution and delivery thereof, will be valid and binding upon the Issuer in accordance with its terms and will not cause interest on the Bonds to be included in gross income of the Holders thereof for federal income tax purposes. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed supplemental indenture or amendment permitted by this Article VIII complies with the provisions of this Indenture, (ii) it is proper for the Trustee to join in the execution of that supplemental indenture or amendment under the provisions of this Article VIII, and (iii) if applicable, such proposed supplemental indenture or amendment is not materially adverse to the interests of the Bondholders.

ARTICLE IX

SATISFACTION AND DISCHARGE OF INDENTURE

Section 9.01 Discharge of Lien. If the Issuer shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein, in any one or more of the following ways:

(a) by the payment of the principal of (including redemption premium, if any) and interest on all Bonds outstanding; or

(b) by the deposit or credit to the account of the Trustee, in trust, of money or securities in the necessary amount (as provided in Section 9.04 hereof) to pay the principal, redemption price and interest to the date established for redemption whether by redemption or otherwise; or

- (c) by the delivery to the Trustee, for cancellation by it, of all Bonds Outstanding;

and shall have paid all amounts due and owing to the Credit Facility Provider hereunder and under the Credit Facility and the Reimbursement Agreement (if following the Conversion Date), including but not limited to the Freddie Mac Reimbursement Amount and the Freddie Mac Credit Enhancement Fee, and shall have paid all fees and expenses of and any other amounts due to the Issuer, the Trustee, the Servicer, the Dissemination Agent, the Rebate Analyst, the Remarketing Agent and the Paying Agent, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estates and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer any interest in property at the time subject to the lien of this Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds, the payment of any amounts owed to the United States of America pursuant to Section 4.12 hereof or the payment of any amounts payable to the Credit Facility Provider.

Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01 if, under circumstances which do not cause interest on the Bonds to become included in the Holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled: (a) in case such Bond is to be redeemed on any date prior to its maturity, the Trustee shall have given to the Bondholder irrevocable notice of redemption of such Bond on said date; (b) there shall be on deposit with the Trustee, pursuant to Section 9.04 hereof, either money or direct obligations of the United States of America in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal or redemption price, if applicable, and interest due and to become due on such Bond on the redemption date or maturity date thereof, as the case may be; (c) in the case of Bonds which do not mature or will not be redeemed within 60 days of such deposit, the Trustee shall have received a verification report of a firm of certified public accountants reasonably acceptable to the Trustee as to the adequacy of the amounts so deposited to fully pay the Bonds deemed to be paid; (d) the Trustee shall have received an opinion of nationally recognized bankruptcy counsel, if required by subpart (e) of the definition of "Eligible Funds" herein, to the effect that such money constitutes Eligible Funds; (e) the Trustee shall have received a written statement from the Issuer stating that all amounts owed to the Issuer in respect of Unassigned Rights have been fully paid (it being understood that certain rights of the Issuer will survive the defeasance of the Bonds); and (f) the Trustee shall have received an opinion of Bond Counsel to the effect that the defeasance of the Bonds is in accordance with the provisions of the Indenture and that such defeasance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

The Trustee shall in no event cause the Bonds to be optionally redeemed from money deposited pursuant to this Article IX unless the requirements of Article III have been met with respect to such redemption, including the requirements of Sections 3.01(a) hereof.

Section 9.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.01 above) to pay or redeem Outstanding Bonds (whether upon or prior to their maturity or the redemption date of such Bonds) provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, all liability of the Issuer in respect of such Bonds shall cease, terminate and be completely discharged, except only that thereafter the holders thereof shall be entitled to payment by the Issuer, and the Issuer shall remain liable for such payment, but only out of the money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

Section 9.03 Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, and subject to applicable unclaimed property laws of the State, any money deposited with the Trustee or any paying agent in trust for the payment of the principal of, interest or premium on the Bonds remaining unclaimed for two years after the payment thereof: to the extent permitted by applicable law, shall be paid to the Borrower, whereupon all liability of the Issuer and the Trustee with respect to such money shall cease, and the holders of the Bonds shall thereafter look solely to the Borrower for payment of any amounts then due. All money held by the Trustee and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

Section 9.04 Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or credited to the account of or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held shall be Eligible Funds (or Government Obligations purchased with Eligible Funds) consisting of:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which there shall have been furnished to the Trustee proof satisfactory to it that notice of such redemption on a specified redemption date has been duly given or provision satisfactory to the Trustee shall be made for such notice, the amount so to be deposited or held shall be the principal amount of such Bonds and interest thereon to the redemption date, together with the redemption premium, if any; or

(b) noncallable and nonprepayable direct obligations of the United States of America or noncallable and nonprepayable obligations which as to principal and interest constitute full faith and credit obligations of the United States of America, in such amounts and maturing at such times that the proceeds of said obligations received upon their respective maturities and interest payment dates, without further reinvestment, will provide funds sufficient, in the opinion of a nationally recognized firm of certified public accountants, to pay the principal, premium, if any, and interest to maturity, or to the redemption date, as the case may be, with respect to all of the Bonds to be paid or redeemed, as such principal, premium and interest become due; provided that the Trustee shall have been irrevocably instructed by the Issuer to apply the proceeds of said obligations to the payment of said principal, premium, if any, and interest with respect to such Bonds.

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI

MISCELLANEOUS

Section 11.01 Consents and Other Instruments of Bondholders. Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Indenture to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such instrument, namely:

(a) the fact and date of the execution by any Person of any such instrument may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such instrument acknowledged the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of such authority;

(b) the ownership of registered Bonds shall be proved by the Bond Register; and

(c) any request, consent or vote of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Trustee or the Issuer in pursuance of such request, consent or vote.

Section 11.02 Servicing the Bond Loan. Following the Conversion Date, there shall be engaged at all times that Freddie Mac is the Credit Facility Provider an eligible servicing institution designated by Freddie Mac as the Servicer (which may be Freddie Mac if Freddie Mac elects to service the Bond Loan) to service the Bond Loan pursuant to the Guide.

Section 11.03 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the Parties hereto, the Credit Facility Provider, the Servicer, the Borrower and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof.

Section 11.04 Construction of Conflicts; Severability. Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Bonds, the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of the Code are inconsistent with the Bond Loan Documents, then the Bond Loan Documents shall be

Telephone: (202) 661-7622

Facsimile: (202) 661-2299

The Trustee: The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, PA 15262
Attention: Corporate Trust
Telephone: (412) 234-7468
Facsimile: (732) 667-9131

The Borrower: RGC2 Southwest 4 Owner LLC
c/o Lincoln Avenue Communities
401 Wilshire Blvd., 11th Floor
Santa Monica, California 90401
Attention: Hanna Jamar
Email: hanna@lincolnavecap.com

with a copy to: _____
Klein Hornig LLP
1325 G Street NW, Suite 770
Washington, D.C. 20005
Attention: Eric Hoffman
Email: ehoffman@kleinhornig.com

The Investor Member: Hudson RGC2 Southwest 4 LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

The Special Member: Hudson SLP LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

with a copy to: Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, California 90071
Attention: Craig A. Emden
Fax No.: (213) 559-0747

Credit Facility Provider: Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B2E
McLean, VA 22102
Attention: Multifamily Operations - Loan Accounting

Email: mfla@freddiemac.com
Trustee Hotline: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, VA 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: guy_nelson@freddiemac.com
Telephone: (703) 903-2000

The Servicer: Capital One, National Association
[Address]
[Attention:]

Remarketing Agent: Stifel, Nicolaus & Company, Incorporated
[Address]
[Attention:]

with a copy to: Tiber Hudson LLC
1800 M Street NW, Suite 350 South
Washington, DC 20036
Attention: Kent S. Neumann

Rating Agency: Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street, 16th Floor
New York, NY 10007
Attention: Public Finance Group – Housing Team
Email: Housing@moodys.com

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Credit Facility Provider and by any party to the Credit Facility Provider to the Servicer.

The Trustee agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Indenture.

(b) The Trustee shall provide to the Credit Facility Provider (i) prompt notice of the occurrence of any Event of Default pursuant to Section 6.01 hereof and (ii) any written information or other written communication received by the Trustee hereunder within ten (10) Business Days of receiving a written request from the Credit Facility Provider for any such information or other communication. The Trustee shall provide to the Rating Agency any information requested by the Rating Agency needed to maintain the rating on the Bonds.

(c) The Trustee shall provide to the Rating Agency, at the address specified in subsection (a) of this Section 11.05, notice of (i) any change in Trustee hereunder, (ii) any material amendment to any of the Bond Financing Documents, (iii) any substitution, termination, expiration

or extension of the Credit Facility, and (iv) any acceleration or redemption in whole or defeasance of the Bonds.

Section 11.06 Credit Facility Provider References. Prior to Conversion, the Credit Facility Provider shall be entitled to receive all notices and request information from the Trustee as herein provided. Following Conversion, all references herein to the rights of the Credit Facility Provider and the Servicer shall be of no force and effect upon and during the continuance of any Wrongful Dishonor.

Section 11.07 Trustee as Paying Agent and Bond Registrar. The Trustee is hereby designated and agrees to act as Paying Agent and Bond Registrar for and in respect to the Bonds. When acting in either such capacity, the Trustee will receive the same rights, protections and indemnifications afforded to the Trustee hereunder.

Section 11.08 Payments Due on Non-Business Days. In any case where a date of payment with respect to any Bonds shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period after such date provided that payment is made on such next succeeding Business Day.

Section 11.09 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.10 Laws Governing Indenture and Administration of Trust. The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State without regard to conflicts of laws principles.

Section 11.11 No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Bond shall be had against any member, officer, commissioner, director or employee (past, present or future) of the Issuer, either directly or through the Issuer or its governing body or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued hereunder, or otherwise, of any sum that may be due and unpaid by the Issuer or its governing body upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, commissioner, director or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Holder of any Bond issued hereunder or otherwise of any sum that may remain due and unpaid upon any Bond hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

Section 11.12 Successors and Assigns. All the covenants and representations contained in this Indenture by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Trust Indenture to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

[ISSUER'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – SW4
INDENTURE]

DMFIRM #413718877

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Matthew Maselko, Vice President

[TRUSTEE'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – SW4
INDENTURE]

DMFIRM #413718877

CONSENT AND AGREEMENT OF BORROWER

For and in consideration of the issuance of the Bonds by the Issuer, the Borrower consents to and approves the Indenture in all respects. In addition, the Borrower agrees that whenever the Indenture by its terms imposes any duty or obligation on the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform its duties and obligations thereunder.

RGC2 SOUTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Southwest 4 MM LLC, a Delaware
limited liability company, its managing
member

By: _____
Russell Condas, Vice President

EXHIBIT A-1

FORM OF SERIES A BOND

NOTICE: Unless this bond certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owners hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(RESIDENCES AT GOVERNMENT CENTER 2 – SW4 PROJECT), SERIES 2024A**

NO. R- **[\$Par Amount]**

INTEREST RATE: %
 MATURITY DATE: November 1, 2044
 DELIVERY DATE: [October 31], 2024
 CUSIP NO.: -
 REGISTERED OWNER: CEDE & CO.
 PRINCIPAL AMOUNT: [_____ NO/100 DOLLARS]

The Fairfax County Redevelopment and Housing Authority (the “**Issuer**”), a body corporate and an instrumentality of the Commonwealth of Virginia (the “**State**”), for value received, hereby promises (but solely from the sources and in the manner provided for in the hereinafter defined Indenture) to pay to the registered owner identified above, or registered assigns, on the maturity date set forth above, unless previously called for redemption, the principal sum as set forth above, together with interest thereon at the rate per annum identified above from the Interest Payment Date (as defined below) next preceding the date of authentication of this Bond to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of this Bond, or unless no interest has been paid or duly provided for on this Bond, in which case from the Delivery Date identified above, until the principal amount hereof shall have been fully paid, at the rate per annum identified above, payable on (a) November 1 and May 1 of each year, commencing [May] 1, 2025, (b) the maturity date identified above, and (c) the date of any earlier redemption or acceleration of this Bond (each, an “**Interest Payment Date**”), computed on the basis of a 360-day year consisting of twelve 30-day months, as provided in the Indenture. Notwithstanding the foregoing, if this Bond is authenticated after a Record Date and before the following Interest Payment Date, this Bond shall bear interest from such Interest Payment Date; provided, however, that if there shall be a default in the payment of interest due on such Interest Payment Date, then this Bond shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided

for on this Bond, from the Delivery Date. Payment of principal, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Payment of principal of this Bond, premium, if any, and interest on this Bond will be made by check mailed on the Interest Payment Date to the registered owner of this Bond as such address shall appear on the registration books for the Bonds on the 15th day of the month preceding each Interest Payment Date (a “**Record Date**”). Upon written request of a registered owner of at least \$1,000,000 aggregate principal amount of the Bonds received by The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor trustee appointed in accordance with the terms of the hereinafter defined Indenture, the “**Trustee**”), at least five (5) Business Days prior to a Record Date, all payments of principal, premium, if any, and interest will be paid by wire transfer of immediately available funds to an account designated by such owner, less any reasonable wire transfer fees imposed by the Trustee. All capitalized terms not defined herein shall have the meaning set forth in the Trust Indenture dated as of October 1, 2024, by and between the Issuer and the Trustee (the “**Indenture**”).

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF FAIRFAX COUNTY, VIRGINIA (THE “**COUNTY**”), THE COMMONWEALTH OF VIRGINIA (THE “**STATE**”) OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE TRUST INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION (“**FREDDIE MAC**”), AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT (AS HEREINAFTER DEFINED) ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, ANY OF THE BONDS OR FOR ANY CLAIM BASED THEREON OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THE INDENTURE CONTAINED, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER OF THE ISSUER, OFFICER, EMPLOYEE OR AGENT OF THE ISSUER, OR MEMBER OR OFFICER OF ANY SUCCESSOR PUBLIC ENTITY, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR PUBLIC ENTITY, UNDER ANY RULE OF LAW OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH

MEMBER OF THE ISSUER, OFFICER, EMPLOYEE OR AGENT AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND IN CONSIDERATION FOR, THE EXECUTION OF THE INDENTURE AND THE ISSUANCE OF ANY OF THE BONDS.

This Bond is one of a duly authorized issue of bonds of the Issuer known as its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A, issued in the original aggregate principal amount of \$[11,310,000] (the “**Bonds**”) under and pursuant to the Constitution and laws of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “**Act**”), and a bond resolution adopted by the Issuer on October 17, 2024. The Bonds, along with the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B are special, limited obligations of the Issuer payable solely from and secured by the Trust Estate pledged therefor pursuant to the Indenture. The Bonds are issued to provide funds to finance the acquisition, construction and equipping of a multifamily rental housing development known as “Residences at Government Center 2 – SW4” located in Fairfax County, Virginia, owned by RGC2 Southwest 4 Owner LLC (the “**Borrower**”).

The Bonds are issuable as fully registered bonds in Authorized Denominations of \$5,000 or integral multiples thereof.

Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the Trust Estate under the Indenture, the nature and extent of the security, the terms and conditions upon which the Bonds are issued and secured and the rights of the holders thereof, to all of the provisions of which Indenture the registered Owner of this Bond, by acceptance hereof, assents and agrees. This Bond is equally and ratably secured under the Indenture with all other Bonds issued thereunder.

The Bonds are subject to optional and mandatory redemption or purchase in lieu of redemption in accordance with the provisions of the Indenture.

In the event of a redemption of less than all of the Bonds, the Bonds to be redeemed shall be selected by lot. Bonds shall only be redeemed in Authorized Denominations.

Unless notice of redemption is not required under this Bond and the terms of the Indenture, notice of redemption of this Bond shall be given by first class mail, postage prepaid, to the registered owner hereof at the address of such owner shown on the registration books maintained by the Trustee, as bond registrar. All such notices shall be given not less than twenty (20) days (not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. Notice shall also be sent by certified mail, overnight delivery service or other secure means, postage prepaid, to the Credit Facility Provider and to certain Information Services as described in the Indenture. Failure to give notice by mailing to the registered owner of any Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond if notice shall have been mailed as herein provided. On or after the Conversion Date, the Trustee may provide a conditional notice of redemption upon the direction of the Credit Facility Provider or the Borrower (with the prior written consent of the Credit Facility Provider).

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is transferable by the registered owner hereof in Person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds of the same series, maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefore. The Bonds are issuable only as fully registered Bonds without coupons.

The Issuer and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until this Bond shall have been authenticated by the certificate of the Trustee endorsed hereon.

In the event of a conflict between the terms of this Bond and the Indenture, the terms of the Indenture shall control.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in the time, form and manner as required by law; that payment in full for this Bond has been received; and that this Bond and the issue of which it forms a part does not exceed or violate any constitutional or statutory limitation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed by the manual or facsimile signature of an Authorized Officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an Authorized Officer of the Issuer, all as the of the Delivery Date identified above.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

(SEAL)

ATTEST:

By: _____
Thomas Fleetwood, Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of and described in the within-mentioned Indenture.

Date of Authentication: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Authorized Signer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
(Please insert Social Security Number or other identifying number of assignee)

(Please print or Typewrite Name and Address of Assignee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Bond on the books kept for registration
thereof, with full power of substitution in the premises.

Dated: _____. Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by
an eligible guaranty institution.

Signature

NOTICE: The Signature to this assignment must correspond with the name as it appears upon the
face of the within Bond in every particular, without alteration or enlargement or any change
whatever. The signature must be guaranteed.

DTC FAST RIDER

Each Bond shall remain in the Trustee’s custody subject to the provisions of the FAST Balance
Certificate Agreement currently in effect between the Trustee and DTC.

EXHIBIT A-2

FORM OF SERIES B BOND

NOTICE: Unless this bond certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owners hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(RESIDENCES AT GOVERNMENT CENTER 2 – SW4 PROJECT), SERIES 2024B**

NO. R- **[\$Par Amount]**

INITIAL INTEREST RATE: ___%
 INITIAL MANDATORY TENDER DATE: November 1, 2027
 MATURITY DATE: November 1, 2028
 DELIVERY DATE: [October 31], 2024
 CUSIP NO.: -
 REGISTERED OWNER: CEDE & CO.
 PRINCIPAL AMOUNT: [_____ AND NO/100 DOLLARS]

The Fairfax County Redevelopment and Housing Authority (the “**Issuer**”), a body corporate and an instrumentality of the Commonwealth of Virginia (the “**State**”), for value received, hereby promises (but solely from the sources and in the manner provided for in the hereinafter defined Indenture) to pay to the registered owner identified above, or registered assigns, on the maturity date set forth above, unless previously called for redemption, the principal sum as set forth above, together with interest thereon from the Interest Payment Date (as defined below) next preceding the date of authentication of this Bond to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of this Bond, or unless no interest has been paid or duly provided for on this Bond, in which case from the Delivery Date identified above, until the principal amount hereof shall have been fully paid, at the Initial Interest Rate per annum identified above until the Initial Mandatory Tender Date identified above, and thereafter at the Remarketing Rate determined upon any subsequent remarketing thereof for the related Remarketing Period, payable on (a) November 1 and May 1 of each year, commencing [May] 1, 2025, (b) the maturity date identified above, and (c) the date of any earlier redemption or acceleration of this Bond (each, an “**Interest Payment Date**”), computed on the basis of a 360-day year consisting of twelve 30-day months, as provided in the Indenture. Notwithstanding the foregoing, if this Bond is authenticated after a Record Date and before the following Interest Payment Date, this Bond shall bear interest from such Interest Payment Date; provided, however,

that if there shall be a default in the payment of interest due on such Interest Payment Date, then this Bond shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on this Bond, from the Delivery Date. Payment of principal, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Payment of principal of this Bond, premium, if any, and interest on this Bond will be made by check mailed on the Interest Payment Date to the registered owner of this Bond as such address shall appear on the registration books for the Bonds on the 15th day of the month preceding each Interest Payment Date (a “**Record Date**”). Upon written request of a registered owner of at least \$1,000,000 aggregate principal amount of the Bonds received by The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor trustee appointed in accordance with the terms of the hereinafter defined Indenture, the “**Trustee**”), at least five (5) Business Days prior to a Record Date, all payments of principal, premium, if any, and interest will be paid by wire transfer of immediately available funds to an account designated by such owner, less any reasonable wire transfer fees imposed by the Trustee. All capitalized terms not defined herein shall have the meaning set forth in the Trust Indenture dated as of October 1, 2024, by and between the Issuer and the Trustee (the “**Indenture**”).

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF FAIRFAX COUNTY, VIRGINIA (THE “**COUNTY**”), THE COMMONWEALTH OF VIRGINIA (THE “**STATE**”) OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE TRUST INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION (“**FREDDIE MAC**”), AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT (AS HEREINAFTER DEFINED) ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, ANY OF THE BONDS OR FOR ANY CLAIM BASED THEREON OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THE INDENTURE CONTAINED, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER OF THE ISSUER, OFFICER, EMPLOYEE OR AGENT OF THE ISSUER, OR MEMBER OR

OFFICER OF ANY SUCCESSOR PUBLIC ENTITY, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR PUBLIC ENTITY, UNDER ANY RULE OF LAW OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH MEMBER OF THE ISSUER, OFFICER, EMPLOYEE OR AGENT AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND IN CONSIDERATION FOR, THE EXECUTION OF THE INDENTURE AND THE ISSUANCE OF ANY OF THE BONDS.

This Bond is one of a duly authorized issue of bonds of the Issuer known as its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B, issued in the original aggregate principal amount of \$[3,190,000] (the “**Bonds**”) under and pursuant to the Constitution and laws of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “**Act**”), and a bond resolution adopted by the Issuer on October 17, 2024. The Bonds, along with the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A, are special, limited obligations of the Issuer payable solely from and secured by the Trust Estate pledged therefor pursuant to the Indenture. The Bonds are issued to provide funds to finance the acquisition, construction and equipping of a multifamily rental housing development known as “Residences at Government Center 2 – SW4” located in Fairfax County, Virginia, owned by RGC2 Southwest 4 Owner LLC (the “**Borrower**”).

The Bonds are issuable as fully registered bonds in Authorized Denominations of \$5,000 or integral multiples thereof.

Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the Trust Estate under the Indenture, the nature and extent of the security, the terms and conditions upon which the Bonds are issued and secured and the rights of the holders thereof, to all of the provisions of which Indenture the registered Owner of this Bond, by acceptance hereof, assents and agrees. This Bond is equally and ratably secured under the Indenture with all other Bonds issued thereunder.

The Bonds are subject to mandatory tender in whole on each Mandatory Tender Date. Holders will not have the right to elect to retain their Bonds. Upon presentation and surrender of the Bonds by the Holder on the date fixed for tender, the Holder shall be paid the principal amount of the Bonds to be tendered, plus accrued interest on such Bonds to the Mandatory Tender Date.

The Bonds are subject to optional and mandatory redemption or purchase in lieu of redemption in accordance with the provisions of the Indenture.

In the event of a redemption of less than all of the Bonds, the Bonds to be redeemed shall be selected by lot. Bonds shall only be redeemed in Authorized Denominations.

Unless notice of redemption is not required under this Bond and the terms of the Indenture, notice of redemption of this Bond shall be given by first class mail, postage prepaid, to the registered owner hereof at the address of such owner shown on the registration books maintained by the Trustee, as bond registrar. All such notices shall be given not less than twenty (20) days (not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. Notice shall also be sent by

certified mail, overnight delivery service or other secure means, postage prepaid, to the Credit Facility Provider and to certain Information Services as described in the Indenture. Failure to give notice by mailing to the registered owner of any Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond if notice shall have been mailed as herein provided.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is transferable by the registered owner hereof in Person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds of the same series, maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefore. The Bonds are issuable only as fully registered Bonds without coupons.

The Issuer and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until this Bond shall have been authenticated by the certificate of the Trustee endorsed hereon.

In the event of a conflict between the terms of this Bond and the Indenture, the terms of the Indenture shall control.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in the time, form and manner as required by law; that payment in full for this Bond has been received; and that this Bond and the issue of which it forms a part does not exceed or violate any constitutional or statutory limitation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed by the manual or facsimile signature of an Authorized Officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an Authorized Officer of the Issuer, all as the of the Delivery Date identified above.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

(SEAL)

ATTEST:

By: _____
Thomas Fleetwood, Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of and described in the within-mentioned Indenture.

Date of Authentication: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Authorized Signer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
(Please insert Social Security Number or other identifying number of assignee)

(Please print or Typewrite Name and Address of Assignee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Bond on the books kept for registration
thereof, with full power of substitution in the premises.

Dated: _____. Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by
an eligible guaranty institution.

Signature

NOTICE: The Signature to this assignment must correspond with the name as it appears upon the
face of the within Bond in every particular, without alteration or enlargement or any change
whatever. The signature must be guaranteed.

DTC FAST RIDER

Each Bond shall remain in the Trustee’s custody subject to the provisions of the FAST Balance
Certificate Agreement currently in effect between the Trustee and DTC.

EXHIBIT B

**COSTS OF ISSUANCE REQUISITION
(Cost of Issuance Fund)**

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

Re: \$[11,310,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A and \$[3,190,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B

Trustee:

You are requested to disburse funds from the Cost of Issuance Fund pursuant to Section 4.13 of the Indenture in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the “Requisition”). The terms used in this requisition shall have the meaning given to those terms in the Trust Indenture (the “Indenture”) dated as of October 1, 2024, by and between the Fairfax County Redevelopment and Housing Authority and the Trustee, securing the above-referenced Bonds.

REQUISITION NO.:
PAYMENT DUE TO:
AMOUNT TO BE DISBURSED: \$

The undersigned, on behalf of RGC2 Southwest 4 Owner LLC, a limited liability company duly organized and existing under the laws of the Commonwealth of Virginia (the “Borrower”), certifies that:

- (a) the expenditures for which money is requisitioned by this Requisition represent proper charges against the Cost of Issuance Fund, have not been included in any previous requisition and are set forth in the Schedule attached to this Requisition, with invoices attached for any sums for which reimbursement is requested; and
- (b) the money requisitioned is not greater than the amount necessary to meet obligations due and payable or to reimburse the applicable party for funds actually advanced for Costs of Issuance.

Attached to this Requisition is a Schedule, together with copies of invoices or bills of sale covering all items for which payment is being requested.

Date of Requisition: _____

RGC2 SOUTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Southwest 4 MM LLC, a
Delaware limited liability company, its
managing member

By: _____
Russell Condas, Vice President

EXHIBIT C

**BOND PROCEEDS FUND REQUISITION
(Bond Proceeds Fund)**

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

Re: \$[11,310,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A and \$[3,190,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B

You are requested to disburse funds from the Bond Proceeds Fund pursuant to Section 4.02 of the Indenture in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the “**Requisition**”). The terms used in this requisition shall have the meaning given to those terms in the Trust Indenture (the “**Indenture**”) dated as of October 1, 2024, by and between the Fairfax County Redevelopment and Housing Authority and the Trustee, securing the above-referenced Bonds.

REQUISITION NO.:

PAYMENT DUE TO:

AMOUNT(S) TO BE DISBURSED: \$ _____ from the Series A Project Account
\$ _____ from the Series B Project Account

The undersigned Borrower hereby represents and warrants that the following information and certifications provided in connection with this Requisition are true and correct as of the date hereof and authorizes Servicer to submit this Requisition to Trustee on behalf of Borrower:

1. Purposes for which disbursement is requested are specified in the attached Disbursement Schedule.
2. Party or parties to whom the disbursements shall be made are specified in the Disbursement Schedule (may be the undersigned in the case of reimbursement for advances and payments made or cost incurred for work done by the undersigned); provided, that no reimbursement shall be made for advances and payments made prior to _____, 2024).
3. The undersigned certifies that:
 - (a) Each item for which disbursement is requested hereunder is properly payable out of the Bond Proceeds Fund in accordance with the terms and conditions of the Indenture and the Financing Agreement and none of those items has formed the basis for any disbursement heretofore made from said Bond Proceeds Fund. The Borrower has made arrangements for an equal amount of Eligible Funds (i.e., \$[INSERT SAME AMOUNT AS ABOVE]) to be deposited into the Collateral

Fund contemporaneously with such requested disbursement from the Bond Proceeds Fund.

- (b) Each such item is or was incurred in connection with the acquisition, construction, installation, equipment or improvement of the Project.
- (c) The Borrower has received, or will concurrently with payment receive and deliver to the Trustee, appropriate waivers of any mechanics' or other liens with respect to each item for which disbursement is requested hereunder.
- (d) After taking into account the proposed disbursement,
 - (A) no more than 5% of the net proceeds of the Bonds will have been used for costs that are not Costs of the Project;
 - (B) less than 25% of the net proceeds of the Bonds will have been used for the cost of acquiring land; and
 - (C) not more than 2% of the proceeds of the Bonds will have been used for Costs of Issuance.
- (e) There is no current or existing default or event of default pursuant to the terms of the Financing Agreement or the Regulatory Agreement, and no event exists which by notice or passage of time or both would constitute an event of default under any of the foregoing documents.
- (f) There are no liens on the Project except those permitted or provided for by the Indenture and the Financing Agreement.
- (g) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warranty, protection and authority to the Trustee for its actions taken pursuant hereto.

IN WITNESS WHEREOF, the undersigned has executed this Requisition as of the day and date first above written.

Date of Requisition: _____

RGC2 SOUTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Southwest 4 MM LLC, a
Delaware limited liability company, its
managing member

By: _____
Russell Condas, Vice President

EXHIBIT D

FORM OF PURCHASER'S LETTER

[To be prepared on letterhead of Purchaser]

[Date]

[Issuer]

[Trustee]

Re: \$[11,310,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A

Ladies and Gentlemen:

The undersigned (the “**Purchaser**”) hereby acknowledges receipt as transferee, from the previous owner thereof, of the above-referenced bonds (the “**Bonds**”) in fully registered form and in the aggregate principal amount of \$_____, constituting all of the Bonds currently outstanding. The Bonds have been checked, inspected and approved by the Purchaser.

The undersigned acknowledges that the Bonds were issued for the purpose of making a loan to assist in financing a multifamily rental housing development known as “Residences at Government Center 2 – SW4 Project” located in Fairfax County, Virginia (the “**Project**”), as more particularly described in that certain Financing Agreement dated as of October 1, 2024, as may be amended and supplemented from time to time (the “**Financing Agreement**”), by and among the Fairfax County Redevelopment and Housing Authority (the “**Issuer**”), RGC2 Southwest 4 Owner LLC (the “**Borrower**”), and The Bank of New York Mellon Trust Company, N.A. (the “**Trustee**”). The undersigned further acknowledges that the Bonds are secured by a certain Trust Indenture dated as of October 1, 2024, as may be amended and supplemented from time to time (the “**Indenture**”), between the Issuer and the Trustee, which creates a security interest in loan repayments made pursuant to the Financing Agreement for the benefit of the holders and Owners of the Bonds, and by a first lien priority Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing with respect to the Project (the “**Bond Mortgage**”), which creates a security interest in the Project, subject to permitted encumbrances, as provided therein. Terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

In connection with the sale of the Bonds to the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser hereby certifies that it is an “accredited investor” as that term is defined in Rule 501(a)(1), (2), (3), (7), (8), or (9) of Regulation D of the Securities Act of 1933 (the “**Act**”) or a “qualified institutional buyer” under Rule 144(a) of said Act (such “accredited investor” or “qualified institutional buyer”, a “Qualified Transferee”), and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of

municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

2. The Bonds are being acquired by the Purchaser for its own account and for investment and not with a view to, or for resale in connection with, any public distribution of the Bonds. The Purchaser understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible due to unmarketability of the Bonds.

3. The Purchaser understands that the Bonds have not been registered under the Act.

4. The Purchaser acknowledges that it is familiar with the conditions, financial and otherwise, of the Borrower and understands that the Borrower has no significant assets other than the Project. To the extent deemed appropriate in making its investment decision, the Purchaser has discussed the Borrower's financial condition and the Borrower's current and proposed business activities with the Borrower. The Purchaser further acknowledges that it has such knowledge and experience in business matters that it is fully capable of evaluating the merits and risks of this investment and it is able to bear the economic risk of the investment. The Bonds are a security of the kind the Purchaser wishes to purchase and hold for investment, and the nature and amount of the Bonds are consistent with the Purchaser's investment program. The Purchaser has been furnished such information and such documents as the Purchaser deems necessary to make a decision to purchase the Bonds, including copies or forms of the Indenture, the Financing Agreement, the Bond Mortgage and the Regulatory Agreement (as defined in the Indenture), and certain other documents relating to the Bonds and the Project, all of which documents the Purchaser has reviewed. Specifically, but without limitation, the Purchaser has reviewed information about the Project and the property manager for the Project, if any, as well as information about the investment risks relating to the Bonds, and the Purchaser understands that the Bonds involve a high degree of risk. SPECIFICALLY, AND WITHOUT IN ANY MANNER LIMITING THE FOREGOING, THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT, AMONG OTHER RISKS, THE BONDS ARE SECURED BY AND PAYABLE SOLELY FROM REVENUES DERIVED FROM THE PROJECT AND DO NOT HAVE THE BENEFIT OF ANY CREDIT FACILITY PROVIDED BY FEDERAL HOME LOAN MORTGAGE CORPORATION OR ANY OTHER ENTITY. The Purchaser has made such inquiry with respect to all of the foregoing as it believed to be desirable for its purposes.

5. The Purchaser has received from the Issuer no formal or informal offering or disclosure document relating to the Bonds and has concluded that the receipt of one prior to the purchase of the Bonds is not required. It is acknowledged that no written information has been provided by the Issuer, and that any written information furnished by any other party to the transaction does not purport to fully disclose all information pertinent to the Bonds.

6. Except as disclosed to the Issuer, the Purchaser is not now and has never been controlled by, or under common control with, the Borrower. Except as disclosed to the Issuer, the Borrower has never been and is not now controlled by the Purchaser. THE PURCHASER HAS ENTERED INTO NO ARRANGEMENTS WITH THE BORROWER OR WITH ANY AFFILIATE OF THE BORROWER IN CONNECTION WITH THE BONDS, OTHER THAN AS DISCLOSED TO THE ISSUER. The Purchaser hereby agrees to deliver to the Issuer a copy

of any agreement between the Purchaser and the Borrower or any affiliate of the Borrower relating to the Bonds. [THIS PARAGRAPH TO BE DELETED IN THE EVENT OF PURCHASE OF BONDS BY BORROWER OR AN AFFILIATE OF BORROWER.]

7. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

8. In entering into this transaction the Purchaser has not relied upon any representations or opinions made by the Issuer relating to the legal consequences or other aspects of the transactions, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the refinancing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of any collateral pledged to the Trustee to secure repayment of the Bonds.

9. The Purchaser has been informed that the Bonds (i) have not been and will not be registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any jurisdiction and (ii) will not be listed on any stock or other securities exchange.

10. The Purchaser has obtained, from representatives of the Borrower and others, all information regarding the Bonds which it has deemed relevant. The Purchaser has asked of the Borrower and all other relevant parties all the questions to which the Purchaser desired answers, and has had those questions satisfactorily answered. Neither the Borrower nor the Issuer nor any other relevant party has refused to disclose any information that the Purchaser deems necessary or appropriate to its decision to purchase the Bonds.

11. Although the Purchaser does not intend at this time to dispose of the Bonds, the Purchaser acknowledges that it has the right to sell and transfer the Bonds, subject to the following requirements:

(a) The Purchaser may not dispose of the Bonds to a person or entity other than as described in Section 1 without the prior written consent of the Issuer;

(b) The Purchaser will not sell or otherwise transfer the Bonds unless such transfer will not result in the transferee owning less than all of the Bonds, except with the prior written approval of the Issuer;

(c) Prior to any transfer of the Bonds, the Purchaser shall deliver to the Issuer and the Trustee a certificate identifying any and all documents that have been executed by the Purchaser and the Borrower or any affiliate of the Borrower with respect to the Bonds; and

(d) The Purchaser will not sell or otherwise transfer the Bonds without requiring the transferee to deliver to the Issuer and to the Trustee an investor's letter to the same effect as this Purchaser's Letter, including this paragraph 11, with no revisions except as may be approved in writing by the Issuer.

(e) The Purchaser will indemnify and hold harmless the Issuer from and against any loss, damage, cost or expense suffered as a result of (i) any sale of the Bonds by the Purchaser that does not comply with the terms of this Purchaser's Letter or the Indenture or (ii) any inaccuracy of the Purchaser's representations herein contained.

[PURCHASER]

By: _____

Name: _____

Title: _____

FINANCING AGREEMENT

among

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY,
as Issuer**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

and

**RCG2 SOUTHWEST 4 OWNER LLC,
as Borrower**

Relating to

**[\$11,310,000]
Fairfax County Redevelopment and Housing Authority
(Residences at Government Center 2 – SW4 Project)
Series 2024A**

and

**[\$3,190,000]
Fairfax County Redevelopment and Housing Authority
(Residences at Government Center 2 – SW4 Project)
Series 2024B**

Dated as of October 1, 2024

All of the right, title and interest of the Fairfax County Redevelopment and Housing Authority (except for its Unassigned Rights) in and to this Financing Agreement are being assigned to The Bank of New York Mellon Trust Company, N.A., as Trustee, as security for the above-referenced bonds pursuant to a certain Trust Indenture dated as of October 1, 2024.

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EXHIBIT A—FORM OF BOND NOTE

FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “Financing Agreement”) is made and entered into as of October 1, 2024, by and among the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY** (the “Issuer”), a political subdivision of the Commonwealth of Virginia (the “State”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, duly organized and existing under the laws of the United States (together with any successor trustees appointed under the Indenture, the “Trustee”), and **RGC2 SOUTHWEST 4 OWNER LLC**, a limited liability company duly organized and existing under the laws of the State (together with its successors and assigns permitted hereunder, the “Borrower”).

RECITALS:

A. Pursuant to the Constitution and laws of the State, particularly the provisions of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”) and the Trust Indenture dated as of October 1, 2024 (the “Indenture”) between the Issuer and the Trustee, the Issuer has determined to issue its \$[11,310,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project) Series 2024A (the “Series A Bonds”) and its \$[3,190,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project) Series 2024B (the “Series B Bonds”, and together with the Series A Bonds, the “Bonds”) for the financing of a sixty-nine (69) unit multifamily rental housing development located at 12020 Government Center Parkway, in Fairfax, Virginia known as “Residences at Government Center 2 – SW4” (the “Project”).

B. The Issuer has agreed to use the proceeds derived from the sale of Bonds to make a loan in the aggregate principal amount of \$[14,500,000] (the “Bond Loan”) to the Borrower in connection with the Project on the terms specified in this Financing Agreement and upon the satisfaction of various conditions contained herein and in the Indenture.

C. The Borrower has agreed to use the proceeds of the Bond Loan to finance the acquisition of a leasehold interest in and the construction and equipping of the Project.

D. The Borrower’s repayment obligations in respect of the Bond Loan will be evidenced by a Multifamily Note dated October [31], 2024 (together with all riders and addenda thereto, the “Bond Note”) delivered to the Issuer, which Bond Note will be endorsed by the Issuer to the Trustee pursuant to the Indenture.

E. Prior to conversion of the Bond Loan and the Project from the Construction Phase to the Permanent Phase (the “Conversion”), the Bonds will be secured primarily by proceeds of the Bonds and other cash collateral and investments thereof held by the Trustee as provided in the Indenture. In addition to Bond proceeds, the Borrower will cause Eligible Funds, including the proceeds of a construction loan (the “Construction Loan”) from Capital One, National Association, a national banking association (the “Construction Lender”), to be delivered to the Trustee for deposit into the Collateral Fund established under the Indenture from time to time as security for the Bonds.

F. Federal Home Loan Mortgage Corporation (“Freddie Mac” or the “Credit Facility Provider”), subject to the terms and conditions of its Forward Commitment and the satisfaction on or before the Forward Commitment Maturity Date of the Conditions to Conversion set forth in the Construction Phase Financing Agreement and the Forward Commitment, has agreed that upon Conversion it will provide credit enhancement of the Bond Loan during the Permanent Phase (as hereinafter defined) pursuant and subject to a Credit Enhancement Agreement to be dated as of the Conversion Date, between the Credit Facility Provider and the Trustee (the “Credit Facility”).

G. As Conditions to Conversion, all of the Series B Bonds must be redeemed and the Series A Bonds Outstanding in excess of the Actual Bond Loan Amount (if any) must be redeemed on or prior to the Conversion Date.

H. Upon Conversion, the Trustee, will release funds held by it to be applied to the repayment of the Construction Loan, from the Series A Collateral Account.

I. The Issuer, the Trustee and the Credit Facility Provider have agreed, the provisions of the Indenture contemplate, and the Bondholders agree by the acceptance of the Series A Bonds under the terms of the Indenture, that if the Servicer issues the Conversion Notice on or before the Forward Commitment Maturity Date, the Credit Facility will be delivered on the Conversion Date and the amounts held in the Series A Collateral Fund will be released in accordance with the provisions of the Indenture.

J. To evidence the Borrower’s reimbursement obligations to the Credit Facility Provider for draws under the Credit Facility, the Borrower and the Credit Facility Provider will enter into a Reimbursement and Security Agreement (the “Reimbursement Agreement”) on the Conversion Date.

K. To secure the Borrower’s obligations under the Bond Note following the Conversion Date, the Borrower will execute and deliver to the Issuer on the Conversion Date a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Bond Mortgage”) with respect to the Project, which Bond Mortgage will be assigned to the Trustee on the Conversion Date.

L. To secure the Borrower’s reimbursement obligations under the Reimbursement Agreement, on the Conversion Date, the Borrower will execute and deliver to Freddie Mac a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the “Reimbursement Mortgage”) with respect to the Project.

M. On the Conversion Date, the Issuer, the Trustee and Freddie Mac will enter into an Intercreditor Agreement dated as of the Conversion Date (the “Intercreditor Agreement”) in connection with Freddie Mac’s delivery of the Credit Facility.

N. If the Servicer issues the Conversion Notice prior to the Forward Commitment Maturity Date, the Bond Loan will convert from the Construction Phase to the Permanent Phase.

O. If the Conversion Notice is not issued on or prior to the Forward Commitment Maturity Date, Conversion will not occur and the Credit Facility Provider will have no obligation

to deliver the Credit Facility as the Credit Facility for the Series A Bonds and the Series A Bonds will be subject to mandatory redemption in accordance with the terms of the Indenture.

P. On and after the Conversion Date, Capital One, National Association (the “Servicer”) will act as servicer for the Bond Loan.

NOW, THEREFORE, for and in consideration of the mutual covenants and representations hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. All words and phrases (except for Event of Default) defined in the Indenture shall have the same meanings for the purposes of this Financing Agreement. In addition to the words and phrases defined in the Indenture and elsewhere herein, the following words and phrases shall have the following meanings:

“Equity Investor” means, together, the Investor Member and the Special Member.

“Event of Default” means any of those events specified in and defined by the applicable provisions of Article VII hereof to constitute an event of default.

“Financing Agreement” means this Financing Agreement, together with any amendments hereto.

“Investor Member” means Hudson RGC2 Southwest 4 LLC, its successors and assigns.

“Special Member” means Hudson SLP LLC, its successors and assigns.

“Taxes” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

Section 1.2 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. References to Articles, Sections and other subdivisions of this Financing Agreement are the Articles, sections and other subdivisions of this Financing Agreement as originally executed.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Financing Agreement; the term “heretofore” means before the date of execution of this

Financing Agreement; and the term “hereafter” means after the date of execution of this Financing Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1 Representations, Warranties and Covenants of the Issuer. The Issuer makes the following representations, warranties and covenants:

- (a) The Issuer is a political subdivision of the State.
- (b) The Issuer has or will have as of the Delivery Date duly accomplished all conditions necessary to be accomplished by it prior to the issuance and delivery of the Bonds and execution and delivery of the Bond Financing Documents to which it is a party.
- (c) The Issuer is not in violation of or in conflict with any provisions of the laws of the State that would impair its ability to carry out its obligations contained in the Bond Financing Documents to which it is a party.
- (d) The Issuer has the legal right and is empowered to enter into the transactions contemplated by the Bond Financing Documents to which it is a party.
- (e) The Issuer has duly authorized the execution, delivery and performance of the Bond Financing Documents to which it is a party.
- (f) The Issuer will do all things in its power in order to maintain its existence or assure the assumption of its obligations under the Bond Financing Documents to which it is a party by any successor public body.
- (g) No officer or other official of the Issuer has any personal financial interest in the Project or the Borrower in the transactions contemplated by this Financing Agreement.

It is expressly acknowledged that the Issuer makes no representation or warranty, express or implied, that the proceeds of the Bonds will be sufficient to finance the acquisition, construction and equipping of the Project or that the Project will be adequate or sufficient for the Borrower’s intended purpose.

Section 2.2 Representations, Warranties and Covenants of the Borrower. The Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of the Borrower contained in this Financing Agreement, are relied upon by the Issuer, the Credit Facility Provider (following the Conversion Date), the Servicer and the Trustee and serve as a basis for the undertakings of the Issuer, the Servicer and the Trustee contained in this Financing Agreement:

- (a) The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the state in which it has been organized and duly qualified to conduct its business under the laws of the State and in every other state in which the nature of its

business requires such qualification, has full legal right, power and authority to enter into this Financing Agreement and the other Bond Financing Documents, and to carry out and consummate all transactions contemplated hereby and by the other Bond Financing Documents, and by proper action has duly authorized the execution, delivery and performance of this Financing Agreement and the other Bond Financing Documents. All corporate managing members, if any, of the Borrower are duly organized and in good standing under the laws of their respective states of organization and are duly qualified to transact business in the State as either domestic or foreign corporations, as applicable. All managing members, if any, are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the State, are duly qualified to transact business in the State as either domestic or foreign partnerships or limited liability companies, as applicable.

(b) The Borrower has the legal right, power and authority (i) to own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and the Borrower contemplates it to be conducted with respect to the Project and (iii) to execute and deliver, carry out its obligations under, and close the transactions provided for in, the Bond Financing Documents to which it is a party.

(c) Each of the Bond Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained or those necessary to be obtained during the course of acquisition, construction and equipping of the Project, is required for the due execution and delivery or approval, as the case may be, by the Borrower of, and the performance by the Borrower of its obligations under, the Bond Financing Documents.

(e) None of the execution and delivery of the Bond Financing Documents to which the Borrower is a party, the consummation of the transactions provided for in the Bond Financing Documents, or the Borrower's fulfillment of or compliance with the terms and conditions of the Bond Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over the Borrower, or any of its activities or properties, or any judgment, order, writ, injunction or decree to which the Borrower is subject, or any of the organizational or other governing documents of the Borrower, (ii) conflicts or will conflict with any agreement, instrument or license to which the Borrower is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for any lien, charge or encumbrance permitted under the terms of the Bond Financing Documents.

(f) The Borrower shall not cause or permit the Project, or any interest therein, to be sold, assigned or transferred, except as provided in the Bond Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of the Borrower to carry on its business substantially as now conducted and as contemplated by the Bond Financing Documents, (ii) adversely affect the financial condition of the Borrower, (iii) prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or the loaning of the proceeds of the Bonds to the Borrower or the execution and delivery of the Bonds or any of the Bond Financing Documents, (iv) adversely affect the validity or enforceability of the Bonds or any of the Bond Financing Documents, or (v) adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(h) The Project and the operation of the Project (in the manner contemplated by the Bond Financing Documents) conform and, following completion of the acquisition, construction and equipping of the Project, will continue to conform in all material respects with the requirements of the Act as well as all applicable zoning (or in the case of zoning, are legally non-conforming), planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(i) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(j) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which default would materially adversely affect the transactions contemplated by the Bond Financing Documents or the operations of the Borrower or the enforceability of the Bond Financing Documents to which the Borrower is a party or the ability of the Borrower to perform all obligations thereunder.

(k) The Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(l) If the Borrower is a limited liability company, all of the ownership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and except for the purchase option granted by the Investor Member and the Special Member to the Borrower's managing member, there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Financing Agreement shall prevent the Borrower from issuing additional membership interests if such units are issued in accordance with all applicable securities laws.

(m) The representations and warranties of the Borrower contained in the Tax Certificate and Regulatory Agreement are true and accurate in all material respects.

(n) The information, statements or reports furnished in writing to the Issuer, the Servicer and the Credit Facility Provider by the Borrower in connection with this Financing Agreement or the consummation of the transactions contemplated hereby (including, without limitation, any written information furnished by the Borrower in connection with the preparation of the Official Statement for the Bonds and of any other materials related to the issuance, delivery or offering of the Bonds on the Delivery Date) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or the assumptions contained in any certificate of the Borrower delivered as of the Delivery Date are reasonable.

(o) To the knowledge of the Borrower, no commissioner, member, officer or employee of the Issuer has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Bond Financing Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Bond Financing Documents.

(p) The Borrower intends to hold the Project for its own account and has no current plans to sell, and has not entered into any agreement, to sell all or any portion of the Project other than an option to purchase the Project held by the managing member of the Borrower in accordance with the Borrower's operating agreement.

(q) The Project is located wholly within the boundaries of the Fairfax County, Virginia.

(r) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The Borrower shall operate the Project as required by the Regulatory Agreement.

(s) The information contained in the Official Statement pertaining to the Borrower, the developer, the property manager and the Project is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(t) The Indenture and the Credit Facility attached as an exhibit to the Construction Phase Financing Agreement have been submitted to the Borrower for examination, and the Borrower, by execution of this Financing Agreement, acknowledges and agrees that it has participated in the drafting of the Indenture and has reviewed the Credit Facility and that it is bound

by, shall adhere to the provisions of, covenants and agrees to perform all obligations required of the Borrower pursuant to, and shall have the rights set forth by the applicable terms and conditions of, the Indenture.

(u) The Borrower will have a leasehold interest in the land and improvements on the Project, subject only to liens permitted under the Bond Mortgage and the Reimbursement Mortgage following the Conversion Date.

(v) The Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on the Issuer, the Trustee, the Credit Facility Provider or the Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Bond Financing Documents or otherwise relied on the Issuer, the Trustee, the Credit Facility Provider or the Servicer in any manner.

Section 2.3 Representations and Warranties of the Trustee. The Trustee makes the following representations and warranties:

(a) The Trustee is a national banking association, duly organized and existing under the laws of the United States. The Trustee is duly authorized to act as a fiduciary and to execute the trust created by the Indenture, and meets the qualifications to act as Trustee under the Indenture.

(b) The Trustee has complied with the provisions of law which are prerequisite to the consummation of, and has all necessary power (including trust powers) and authority (i) to execute and deliver this Financing Agreement and the other Bond Financing Documents to which it is a party, (ii) to perform its obligations under this Financing Agreement and the other Bond Financing Documents to which it is a party, and (iii) to consummate the transactions contemplated by this Financing Agreement and the other Bond Financing Documents to which it is a party.

(c) The Trustee has duly authorized (i) the execution and delivery of this Financing Agreement and the other Bond Financing Documents to which it is a party, (ii) the performance by the Trustee of its obligations under this Financing Agreement and the other Bond Financing Documents to which it is a party, and (iii) the actions of the Trustee contemplated by this Financing Agreement and the other Bond Financing Documents to which it is a party.

(d) Each of the Bond Financing Documents to which the Trustee is a party has been duly executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) The Trustee meets the qualifications to act as Trustee under the Indenture.

(f) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Trustee as a prerequisite to (i) the execution and delivery of this Financing Agreement and the other Bond Financing Documents to which the Trustee is a party, (ii) the authentication or delivery of the Bonds, (iii) the performance by the Trustee of its obligations under this Financing Agreement and the other Bond Financing Documents to which it is a party, or (iv) the consummation of the transactions contemplated by this Financing Agreement and the other Bond Financing Documents to which the Trustee is a party. The Trustee makes no representation or warranty relating to compliance with any federal or state securities laws.

Section 2.4 Arbitrage and Rebate Fund Calculations. The Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.12 of the Indenture, and (b) if required to do so under Section 4.12 of the Indenture, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Issuer for the purpose of making any and all calculations required under Section 4.12 of the Indenture. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.12 of the Indenture. The Borrower shall cause the Rebate Analyst to provide such calculations to the Trustee and the Issuer at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Indenture and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

Section 2.5 Tax Covenants of the Borrower. The Borrower covenants and agrees that:

(a) It will at all times comply with the terms of the Tax Certificate and the Regulatory Agreement;

(b) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Bonds to be included in gross income, for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such excludability from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but not limited to, the filing of all reports and certifications required by the Regulatory Agreement);

(c) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Bonds;

(d) It will comply with the requirements of Section 148 of the Code and the Regulations issued thereunder throughout the term of the Bonds and will not make any use of the proceeds of the Bonds, or of any other funds which may be deemed to be proceeds of the Bonds under the Code and the related regulations of the United States Treasury, which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and

(e) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Bonds becoming included in gross income for purposes of federal income tax purposes, it will promptly give written notice of such

circumstance, event or condition to the Issuer, the Trustee, the Credit Facility Provider and the Servicer.

(f) The full amount of each disbursement from the Series A Bond Proceeds Account or the Series B Bond Proceeds Account of the Bond Proceeds Fund will be applied to pay or to reimburse the Borrower for the payment of Costs of the Project and, after taking into account any proposed disbursement, (i) at least 95% of the net proceeds of the Bonds (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code) and (ii) less than 25% of the net proceeds of the Bonds will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none of the proceeds of the Bonds (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(g) The Borrower will cause all of the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Act, the Code and the Regulatory Agreement;

(h) All leases will comply with all applicable laws and the Regulatory Agreement;

(i) In connection with any lease or grant by the Borrower of the use of the Project, the Borrower will require that the lessee or user of any portion of the Project not use that portion of the Project in any manner which would violate the covenants set forth in this Financing Agreement or the Regulatory Agreement;

(j) No proceeds of the Bonds shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in Section 147(d) of the Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with the proceeds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds;

(k) From the proceeds of the Bonds and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Bonds, will be used for Costs of Issuance of the Bonds, all within the meaning of Section 147(g)(1) of the Code;

(l) No proceeds of the Bonds shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises; and

(m) Neither the Borrower nor any related party to the Borrower (as defined in Treasury Regulation 1.150-1(b)) will purchase any of the Bonds in an amount related to the obligation represented by this Financing Agreement. This covenant shall survive the defeasance of the Bonds and shall remain in effect until the payment in full of the Bonds.

In the event of a conflict between the terms and requirements of this Section 2.5 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

Section 2.6 Enforcement of Bond Financing Documents. The Trustee may enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of the Bond Financing Documents as and to the extent set forth therein.

ARTICLE III

THE BOND LOAN

Section 3.1 Conditions to Funding the Bond Loan. On the Delivery Date, the Issuer shall cause the Bond proceeds to be deposited with the Trustee in accordance with Sections 2.11 and 4.01 of the Indenture and Section 3.3 hereof. The Trustee shall use such proceeds as provided in Article II of the Indenture, provided that no such disbursements of proceeds of the Bonds shall be made until the following conditions have been met:

(a) The Borrower shall have executed and delivered to the Issuer the Multifamily Note, substantially in the form attached hereto as *Exhibit A* (the “Bond Note”), and the Issuer shall have endorsed the Bond Note to the Trustee;

(b) The Regulatory Agreement shall have been executed and delivered by the parties thereto and shall have been delivered to the title company for recording in the appropriate office for officially recording real estate documents in the jurisdiction in which the Project is located (the “Recorder’s Office”); and the Trustee shall have received evidence satisfactory to it of such delivery;

(c) The Bond Financing Documents not listed above and to be effective prior to the Conversion Date shall have been executed and delivered by all parties thereto and delivered to the Trustee; and

(d) The Borrower shall have delivered to the Trustee and the Issuer a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.2 hereof and an opinion of its counsel or other counsel satisfactory to the Trustee and the Issuer.

Section 3.2 Terms of the Bond Loan; Servicing.

(a) The Bond Loan shall (i) be evidenced by the Bond Note; (ii) be secured by amounts held in certain funds and accounts maintained by the Trustee in accordance with the Indenture and, in addition, on and following the Conversion Date, by the Credit Facility and the Bond Mortgage; (iii) be in the aggregate principal amount of \$[14,500,000]; (iv) bear interest as provided in the Bond Note; (v) provide for principal and interest payments and payments of purchase price in accordance with the Bond Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Bond Note.

(b) From and after the Conversion Date, the Servicer shall service the Bond Loan pursuant to the Forward Commitment and the *Guide*. The Issuer, the Trustee and the Borrower acknowledge and agree that (i) selection or removal of any Servicer is in the sole and absolute discretion of the Credit Facility Provider; (ii) neither the Issuer nor the Trustee shall terminate or attempt to terminate any Servicer as the servicer for the Bond Loan or appoint or attempt to appoint a substitute servicer for the Bond Loan; (iii) the Forward Commitment and the *Guide* are each subject to amendment without the consent of the Trustee, the Issuer or the Borrower; and (iv) none of the Trustee, the Issuer or the Borrower shall have any rights under, or be a third party beneficiary of, the *Guide*. From and after the Conversion Date, the Servicer shall have the right to collect all payments made by the Borrower in connection with the Bond Loan and to receive copies of all reports and notices provided for by the Bond Financing Documents.

Section 3.3 Initial Deposits. On the Delivery Date, proceeds of the Series A Bonds in the aggregate amount of \$[11,310,000] shall be deposited in the Series A Bond Proceeds Account and proceeds of the Series B Bonds in the aggregate amount of \$[3,190,000] shall be deposited in the Series B Bond Proceeds Account of the Bond Proceeds Fund. The Borrower will also deposit or cause to be deposited with the Trustee the Costs of Issuance Deposit, the Administration Fund Deposit and the Initial Collateral Fund Deposit. Subject to the conditions listed in Section 3.1 hereof, amounts on deposit in the Bond Proceeds Fund are to be disbursed to the Borrower or otherwise as provided in Sections 2.11 and 4.11 of the Indenture.

To the extent that amounts in the Cost of Issuance Fund from the above-mentioned sources are insufficient to pay all costs of issuing the Bonds, the Borrower shall cause the payment of such additional costs of issuing the Bonds to be made on its behalf as such amounts become due.

Section 3.4 Assignment to Trustee. The parties hereto acknowledge, and the Borrower consents to, the assignment by the Issuer to the Trustee pursuant to the Indenture of all of the Issuer's right, title and interest in this Financing Agreement (excluding the Unassigned Rights), the Bond Loan, the Revenues and, on and after the Conversion Date, the Bond Mortgage and the Credit Facility as security for the payment of the principal of, premium, if any, and interest on the Bonds and the payment of the Freddie Mac Credit Enhancement Fee and Freddie Mac Reimbursement Amount.

Section 3.5 Investment of Funds. Except as otherwise provided in the Indenture, any money held as a part of any fund or account established under the Indenture shall be invested or reinvested by the Trustee in Qualified Investments in accordance with Section 4.08 of the Indenture.

Section 3.6 Damage; Destruction and Eminent Domain. If, prior to payment in full of the Bonds, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and the Issuer, the Borrower, the Trustee or, following the Conversion Date, the Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Bond Loan Documents, the Indenture and the Reimbursement Agreement.

Section 3.7 Continuing Disclosure Requirement. The Borrower hereby covenants and agrees it will promptly execute and deliver to the Trustee and the Issuer an agreement to deliver such information and reports and give notice of the occurrence of certain events consistent with the requirements of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”). Notwithstanding any other provision of this Financing Agreement, failure of the Borrower to comply with any continuing disclosure agreement shall not be considered an Event of Default hereunder; however, the Trustee, at the written request of any underwriter of the Bonds required to comply with the Rule or the Owners of at least 25% aggregate principal amount in Outstanding Bonds or, following the Conversion Date, the Credit Facility Provider, shall, but only to the extent indemnified to its satisfaction, or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with its obligations under this Section 3.7.

ARTICLE IV

LOAN PAYMENTS

Section 4.1 Payments Under the Bond Note; Independent Obligation of Borrower.

(a) The Borrower agrees to repay the Bond Loan as provided in the Bond Note, and in all instances at the times and in the amounts necessary to enable the Trustee, on behalf of the Issuer, to pay all amounts payable with respect to the Bonds, when due, whether at maturity or upon redemption (with premium, if applicable), mandatory tender, acceleration or otherwise. The obligation of the Borrower to make the payments set forth in this Article IV shall be an independent and separate obligation of the Borrower from its obligation to make payments under the Bond Note, provided that in all events payments made by the Borrower under and pursuant to the Bond Note shall be credited against the Borrower’s obligations hereunder on a dollar for dollar basis. If for any reason the Bond Note or any provision of the Bond Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Bond Note or such provision of the Bond Note shall be deemed to be the obligation of the Borrower pursuant to this Financing Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV and shall not serve to discharge any of the Borrower’s payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Bond Note.

The Borrower acknowledges and agrees that, following the Conversion Date, the Servicer may collect monthly payments from the Borrower with respect to the Bond Loan in accordance with the Reimbursement Agreement, but such payments shall not be credited against the principal or interest due with respect to the Bond Loan or the Bond Note until and only to the extent such amounts are used to reimburse the Credit Facility Provider for amounts paid under the Credit Facility to pay principal of or interest on the Bonds.

(b) The obligations of the Borrower to repay the Bond Loan, to perform all of its obligations under the Bond Loan Documents, to provide indemnification pursuant to Section 6.1 hereof, to pay costs, expenses and charges pursuant to Section 4.2 hereof and to make any and all other payments required by this Financing Agreement, the Indenture or any other documents

contemplated by this Financing Agreement or by the Bond Loan Documents shall, subject to the limitations set forth in Section 5.1 hereof, be absolute and unconditional and shall not be subject to diminution by setoff, recoupment, counterclaim, abatement or otherwise.

(c) Notwithstanding anything contained in any other provision of this Financing Agreement to the contrary (but subject to the provisions of Section 5.1 hereof and the Intercreditor Agreement), the following obligations of the Borrower shall be and remain the joint and several full recourse obligations of the Borrower and each of the Borrower's managing members (but not recourse to any of the Borrower's managing members' members, directors, officers, shareholders, partners or affiliates), payable from and enforceable against any and all income, assets and properties of the Borrower: (i) the Borrower's obligations to the Issuer and the Trustee under subsections (b)(ii), (b)(iv), (b)(vi), and (b)(vii) of Section 4.2 hereof; (ii) the Borrower's obligations under Sections 2.5 and 6.1 of this Financing Agreement; (iii) the Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Bonds and fees and expenses of the Rebate Analyst as provided in Sections 2.4 and 4.3 of this Financing Agreement and the Tax Certificate; and (iv) the Borrower's obligation to pay legal fees and such expenses under Section 7.4 hereof.

Section 4.2 Payment of Certain Fees and Expenses Under the Bond Note.

(a) In addition to the payments set forth in Section 4.1 hereof, payments to be made by the Borrower under the Bond Note include certain money to be paid in respect of, among others, the Ordinary Trustee's Fees and Expenses, the Issuer Fees and Expenses, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, any Extraordinary Trustee's Fees and Expenses, any annual rating maintenance fees of the Rating Agency and amounts required to be deposited in any Custodial Escrow Account pursuant to the Bond Loan Documents, as set forth in subsection (b) of this Section 4.2. To the extent that any portion of the Ordinary Trustee's Fees and Expenses, the Issuer Fees and Expenses, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, any Extraordinary Trustee's Fees and Expenses, any annual rating maintenance fees of the Rating Agency and amounts required to be deposited in a Custodial Escrow Account remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Indenture or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in subsection (b) of this Section 4.2.

(b) The Borrower shall pay (or cause to be paid by the Trustee, to the extent paid from money on deposit in the Administration Fund or the Cost of Issuance Fund, as applicable), in consideration of the funding of the Bond Loan, the following fees, expenses and other money payable in connection with the Bond Loan:

(i) Reserved.

(ii) On the Delivery Date, from money on deposit in the Cost of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Issuer, the Ordinary Issuer Fees and Expenses then due in an amount equal to \$[313,000], together with all third party and out-of-pocket expenses of the Issuer

(including but not limited to the reasonable fees and expenses of counsel to the Issuer) in connection with the Bond Loan and the issuance of the Bonds.

(iii) On the Delivery Date, from money on deposit in the Cost of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, its commitment fees and application fees, together with all third party and out of pocket expenses of the Servicer (including but not limited to the reasonable fees and expenses of counsel to the Servicer) in connection with the Bond Loan.

(iv) On the Delivery Date, from money on deposit in the Cost of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Trustee, an acceptance fee in an amount equal to \$[____], together with all third party and out-of-pocket expenses of the Trustee (including but not limited to the reasonable fees and expenses of counsel to the Trustee) in connection with the Bond Loan and the issuance of the Bonds.

(v) From money of the Borrower, to the Trustee, within two (2) Business Days of receipt from the Trustee of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Indenture, the amount of any such deficiency in the Administration Fund.

(vi) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Trustee, the Ordinary Trustee's Fees and Expenses and the Extraordinary Trustee's Fees and Expenses when due from time to time.

(vii) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Issuer, the Ordinary Issuer Fees and Expenses when due and any Extraordinary Issuer Fees and Expenses when due from time to time.

(viii) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Indenture and this Financing Agreement when due from time to time.

(ix) From amounts withheld by the Servicer as provided in the Guide, to Freddie Mac, the Freddie Mac Credit Enhancement Fee due from time to time.

(x) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to Freddie Mac, the amount of any Freddie Mac Reimbursement Amount due and owing from time to time but unpaid and any portion of the Freddie Mac Credit Enhancement Fee remaining unpaid as provided in Section 4.06 of the Indenture.

(xi) From amounts withheld by the Servicer as provided in the Guide, to the Servicer, the Ordinary Servicing Fees and Expenses due from time to time.

(xii) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, the amount of any portion of the Ordinary Servicing Fees and Expenses remaining unpaid and any Extraordinary Servicing Fees and Expenses.

(xiii) From amounts withheld by the Servicer as provided in the Guide, to the Servicer, the amounts required to be deposited in a Custodial Escrow Account pursuant to the Bond Loan Documents from time to time.

(xiv) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, the amounts required to be deposited in the Custodial Escrow Account remaining unpaid.

(xv) From money on deposit in the Administration Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Dissemination Agent, if any, the Dissemination Agent's Fee when due from time to time.

(xvi) From money on deposit in the Administration Fund, or to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Rating Agency, the annual rating maintenance fee, if any, of the Rating Agency.

(xvii) From money on deposit in the Administration Fund, or to the extent such money is insufficient, from other money of the Borrower, all Remarketing Expenses and any other amounts required in connection with a remarketing of the Series B Bonds.

Section 4.3 Payments to Rebate Fund. The Borrower shall pay when due to the Trustee at the Principal Office of the Trustee any amount required to be deposited in the Rebate Fund in accordance with Section 4.12 of the Indenture.

Section 4.4 Prepayment of Bond Loan. The Borrower shall have the option to prepay the Bond Loan in full or in part prior to the payment and discharge of all the outstanding Bonds in accordance with the provisions of the Indenture, this Financing Agreement and the Bond Note, and, following the Conversion Date, only with the prior written consent of the Credit Facility Provider and the payment of any amount due under the next succeeding paragraph. The Borrower shall be required to prepay the Bond Loan in each case that the Bonds are required to be redeemed in accordance with the terms and conditions set forth in the Indenture.

The Bonds are subject to redemption in accordance with the terms and conditions set forth in the Indenture. In connection with any prepayment, whether optional or mandatory, in addition to all other payments required under the Bond Note, the Borrower shall pay, or cause to be paid to the Servicer (from and after the Conversion Date) or other party (from and after the Conversion Date) as directed by the Credit Facility Provider (or, if no Credit Facility is then in effect, to the Trustee), an amount sufficient to pay the redemption price of the Bonds to be redeemed, including principal, interest and premium (if any), such premium to be paid with Eligible Funds not consisting of funds drawn under the Credit Facility (if after Conversion), and further including any interest to accrue with respect to the Bond Loan and such Bonds between the prepayment date and the redemption date, together with a sum sufficient to pay all fees, costs and expenses in connection

with such redemption and, in the case of redemption in whole, to pay all other amounts payable under this Financing Agreement, the Indenture and the Reimbursement Agreement.

The Borrower shall provide notice of the prepayment to the Issuer, the Trustee, and after the Conversion Date, to the Credit Facility Provider and the Servicer in writing forty-five (45) days, or such shorter time as is possible in the case of mandatory prepayments of the Bonds, prior to the date on which the Borrower will make the prepayment. Each such notice shall state, to the extent such information is available, (a) the amount to be prepaid, (b) the date on which the prepayment will be made by the Borrower, and (c) the cause for the prepayment, if any.

Section 4.5 Borrower's Obligations Upon Redemption. In the event of any redemption of the Bonds under the Indenture, the Borrower will timely pay, or cause to be paid through the Servicer after the Conversion Date, to the Trustee an amount equal to the principal amount of such Bonds or portions thereof called for redemption, together with interest accrued to the redemption date and premium, if any, such premium to be paid with Eligible Funds not consisting of funds drawn under the Credit Facility. In addition, the Borrower will timely pay all fees, costs and expenses associated with any redemption of Bonds.

Section 4.6 Credit Facility Reimbursement Fund. Following the Conversion Date, under the Reimbursement Agreement, the Borrower shall make monthly interest payments and principal deposits to the Servicer for remittance to the Trustee for deposit into the Credit Facility Reimbursement Fund on the second Business Day preceding the first day of each calendar month following Conversion. Amounts on deposit in the Credit Facility Reimbursement Fund shall be held solely for the benefit of the Credit Facility Provider and shall be applied as provided in the Indenture.

Amounts on deposit in the Credit Facility Reimbursement Fund shall not be credited against the principal amount of the Bond Note or be deemed to be interest payments on the Bond Loan until the date such amounts are withdrawn from the Credit Facility Reimbursement Fund and used to reimburse the Credit Facility Provider for amounts paid under the Credit Facility to redeem or otherwise pay principal of or interest on the Bonds; provided, however, if a Wrongful Dishonor has occurred and is continuing any amounts on deposit in the Credit Facility Reimbursement Fund not necessary to reimburse Freddie Mac for amounts owed under the Reimbursement Agreement shall be used by the Trustee to make payments due on the Bonds in satisfaction of the Borrower's obligation to make payments on the Bond Loan.

Section 4.7 Sources, Deposits and Uses. The Trustee shall apply the amounts deposited into the Series A Bond Proceeds Account of the Bond Proceeds Fund and the Series A Collateral Account as provided in Sections 4.02 and 4.17 of the Indenture to secure the Series A Bonds until the Conversion Date. The Trustee shall apply the amounts deposited into the Series B Bond Proceeds Account of the Bond Proceeds Fund and the Series B Collateral Account as provided in Sections 4.02 and 4.17 of the Indenture to secure the Series B Bonds until the Initial Mandatory Tender Date, subject to earlier redemption, unless the conditions to remarketing set forth in Section 3.10 of the Indenture are satisfied. The Borrower accepts the Construction Loan from the Construction Lender, upon the terms and conditions set forth in the Construction Loan Documents. The Borrower will accept the Credit Facility from the Credit Facility Provider on the Conversion Date, upon the terms and conditions set forth in the Bond Financing Documents and

in the Indenture. The Issuer has caused the proceeds of the Bonds to be provided to the Trustee for deposit to the Bond Proceeds Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture and the Bond Note. The Borrower has made arrangements for the delivery of certain Eligible Funds as contemplated herein and in the Indenture and subject to the terms of the Forward Commitment and the Construction Phase Financing Agreement, for the delivery to the Trustee of the Credit Facility on the Conversion Date. Subject to Section 4.1 and Section 4.6 hereof, payments on the Credit Facility received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of, premium, if any, and interest on the Series A Bonds.

Section 4.8 Eligible Funds Deposited Prior to Conversion. In consideration of and as a condition to the disbursement of Bond proceeds in the Bond Proceeds Fund to pay Costs of the Project (but not as a condition to or as otherwise permitted under the Indenture), and to secure the Borrower's obligation to make payments on the Bond Loan prior to the Conversion Date, the Borrower shall cause the delivery of Eligible Funds equal to the amount of the proposed disbursement to the Trustee on or before each such disbursement. All such Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the applicable Account of the Collateral Fund as set forth in Section 4.17 of the Indenture and disbursed in accordance with the provisions of the Indenture.

Section 4.9 Disbursement from the Bond Proceeds Fund Prior to Conversion Date. Subject to the provisions below and, prior to the Conversion Date, so long as no Event of Default hereunder has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to Section 7.1 hereof and Section 6.01 of the Indenture, and no determination of taxability has occurred, disbursements from the Bond Proceeds Fund shall be made only to pay any of the Costs of the Projects.

Except as otherwise permitted under the Indenture, any disbursements from the Bond Proceeds Fund for the payment of Costs of the Project shall be made by the Trustee only upon the receipt by the Trustee of: (a) a signed requisition in the form attached to the Indenture as Exhibit C, on which the Trustee may conclusively rely; and (b) the receipt by the Trustee of Eligible Funds in an amount equal to the amount of any such disbursement request for deposit into the Collateral Fund as provided in Section 4.8 hereof. The Borrower hereby acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month. Each such disbursement request shall be consecutively numbered and accompanied by a copy of the approval of the Construction Lender (or other provider of such Eligible Funds) of the payments or reimbursements requested. Proceeds of the Bonds disbursed pursuant to the provisions of this Financing Agreement may only be used to pay the Costs of the Project or as otherwise permitted under the Indenture.

Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the issuance of the Bonds as required by Section 149(e) of the Code, and in the notice of public hearing pertaining to the Bonds shall be accompanied by an opinion of Bond Counsel to the effect that such disbursement will not adversely affect the status of the interest on the Bonds as excludible from gross income for federal income tax purposes of the Bondholders (except on Bonds while held by a substantial user or related person, each as defined in the Code).

Any money remaining on the Conversion Date in the Series A Bond Proceeds Account of the Bond Proceeds Fund shall be applied as provided in the Indenture.

Notwithstanding any provision of this Financing Agreement or any provision of the Indenture to the contrary, except as set forth in this paragraph, the Trustee shall not disburse funds from the Bond Proceeds Fund unless and until the Trustee confirms that Eligible Funds in the applicable Account of the Collateral Fund plus Eligible Funds in the applicable Account of the Bond Proceeds Fund, less the amount of the requested disbursement from the applicable Account of the Bond Proceeds Fund, is at least equal to the then Outstanding principal amount of the Series A Bonds or Series B Bonds, as applicable; provided, however, the Trustee shall be permitted to transfer funds from the applicable account of the Bond Proceeds Fund to the applicable account of the Collateral Fund as set forth under the Indenture, provided that, as a result of any such transfer, with respect to (i) the Series A Bonds, the amount of Eligible Funds remaining on deposit in the Series A Bond Proceeds Account plus Eligible Funds on deposit in the Series A Collateral Fund Account is at least equal to the then Outstanding principal amount of the Series A Bonds and (ii) the Series B Bonds, the amount of Eligible Funds remaining on deposit in the Series B Bond Proceeds Account of the Bond Proceeds Fund plus Eligible Funds on deposit in the Series B Collateral Fund Account, [plus scheduled investment earnings on the Qualified Investments in such accounts,] is at least equal to the then Outstanding principal amount of the Series B Bonds.

Section 4.10 Remarketing of Series B Bonds. The Borrower or an Authorized Officer thereof, with the written consent of the Remarketing Agent, is hereby granted the right to (a) request a remarketing of the Series B Bonds in the manner and to the extent set forth in Section 3.10 of the Indenture and (b) designate the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 3.08 and 3.10 of the Indenture.

ARTICLE V

SPECIAL COVENANTS OF BORROWER

Section 5.1 Performance of Obligations. The Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Bond Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, at the times and in the manner set forth herein and therein.

Except with respect to the obligations of the Borrower set forth in Sections 2.4, 2.5, 4.2(b)(ii), 4.2(b)(iv), 4.2(b)(vi), 4.2(b)(vii), 4.3, 6.1 and 7.4 hereof, but otherwise notwithstanding any other provisions of this Financing Agreement, the obligations of the Borrower under this Financing Agreement are non-recourse liabilities of the Borrower. However, nothing in this Section 5.1 shall limit the right of the Issuer, the Trustee, or following the Conversion Date, the Servicer or the Credit Facility Provider to proceed against the Borrower to recover any fees owing to any of them or any actual out-of-pocket expenses (including but not limited to actual out-of-pocket reasonable attorneys' fees incurred by any of them) incurred by any of them in connection with the enforcement of any rights under this Financing Agreement or the other Bond Financing Documents. Nothing in this Section 5.1 shall limit any right that, following the

Conversion Date, the Servicer or the Credit Facility Provider may have to enforce the Bond Note, the Bond Mortgage, or any other Bond Loan Document in accordance with their terms.

Section 5.2 Compliance With Applicable Laws. All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

Section 5.3 Indenture Provisions. The execution of this Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower. Whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower shall carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 5.4 No Alternate Credit Facility. The Borrower shall not be permitted to replace the Credit Facility for the Bonds.

Section 5.5 Borrower to Maintain Its Existence; Certification of No Default.

(a) The Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Bond Financing Documents to which the Borrower is a party, the Borrower shall, within 30 days after the end of each calendar year, render to the Trustee a certificate executed by an Authorized Officer of the Borrower to the effect that the Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Bond Financing Documents to which the Borrower is a party and that, to the best of the Borrower's knowledge, after reasonable investigation, there has occurred no default or Event of Default (as such terms are defined in each respective Bond Financing Document) under any of the Bond Financing Documents.

Section 5.6 Borrower to Remain Qualified in State and Appoint Agent. The Borrower will remain duly qualified to transact business in the State and will maintain an agent in the State on whom service of process may be made in connection with any actions against the Borrower.

Section 5.7 Sale or Other Transfer of Project. Subject to the Intercreditor Agreement, the Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Bond Loan Documents, and upon receipt of the prior written consent of the Issuer and the Credit Facility Provider.

Section 5.8 Right to Perform Borrower's Obligations. In the event the Borrower fails to perform any of its obligations under this Financing Agreement, the Issuer, the Trustee and/or the Servicer (from and after the Conversion Date), after giving requisite notice, if any, and subject to the Intercreditor Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Trustee or the

Servicer (from and after the Conversion Date) shall become an additional obligation of the Borrower hereunder, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Bond Loan Documents.

Section 5.9 Notice of Certain Events. The Borrower shall promptly advise the Issuer, the Trustee, the Credit Facility Provider and the Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.10 Survival of Covenants. The provisions of Sections 2.4, 2.5, 4.2, 4.3, 6.1 and 7.4 hereof shall survive the expiration or earlier termination of this Financing Agreement and, with regard to the Trustee, the resignation or removal of the Trustee.

Section 5.11 Access to Project; Records. Subject to reasonable notice and the rights of tenants at the Project, the Issuer, the Trustee, and following the Conversion Date, the Servicer and the Credit Facility Provider, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) during normal business hours: a) to enter the Project and any other location containing the records relating to the Borrower, the Project, the Bond Loan and the Borrower's compliance with the terms and conditions of the Bond Financing Documents; b) to inspect and audit any and all of the Borrower's records or accounts pertaining to the Borrower, the Project, the Bond Loan and the Borrower's compliance with the terms and conditions of the Bond Financing Documents; and c) to require the Borrower, at the Borrower's sole expense, (i) to furnish such documents to the Issuer, the Trustee, the Servicer and the Credit Facility Provider, as the Issuer, the Trustee, the Servicer or the Credit Facility Provider, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Bond Financing Documents have been complied with and (ii) to make copies of any records that the Issuer, the Trustee, the Servicer or the Credit Facility Provider or the respective duly authorized agents of each, may reasonably require. The Borrower shall make available to the Issuer, the Trustee, and following the Conversion Date, the Servicer and the Credit Facility Provider, such information concerning the Project, the Bond Mortgage and the Bond Financing Documents as any of them may reasonably request.

Section 5.12 Regulatory Agreement. The covenants of the Borrower in the Regulatory Agreement shall be deemed to constitute covenants of the Borrower running with the land and an equitable servitude for the benefit of the owners of the Bonds and shall be binding upon any owners of the Project until such time as such restrictions expire as provided in the Regulatory Agreement. The Borrower covenants to file of record the Regulatory Agreement and such other documents and take such other steps as are necessary in order to assure that the restrictions contained in the Regulatory Agreement will, subject to the terms of the Regulatory Agreement, be binding upon all owners of the Project. The Borrower covenants to include such restrictions or a reference to such restrictions in any documents transferring any interest in the Project to another to the end that such transferee has notice of, and is bound by, the Regulatory Agreement. Subject to the provisions of the Intercreditor Agreement, the Issuer and the Trustee shall have the right to seek specific performance of or injunctive relief to enforce the requirements of any covenants of the Borrower contained in the Regulatory Agreement or this Financing Agreement.

Section 5.13 Damage, Destruction and Condemnation. If prior to full payment of the Bonds (or provision for payment of the Bonds in accordance with the provisions of the Indenture) the Project or any portion of it is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion of it shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or shall be transferred pursuant to an agreement or settlement in lieu of eminent domain proceedings, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in this Financing Agreement and in the Bond Note to the extent the Bond Loan is not prepaid in accordance with the terms of the Bond Loan Documents.

Section 5.14 Obligation of the Borrower To Acquire and Construct the Project. The Borrower shall proceed with reasonable dispatch to complete the acquisition, construction and equipping of the Project. If amounts on deposit in the Bond Proceeds Fund designated for the Project and available to be disbursed to the Borrower are not sufficient to pay the costs of such acquisition, construction and equipping, the Borrower shall pay such additional costs from its own funds. The Borrower shall not be entitled to any reimbursement from the Issuer, the Trustee, the Servicer, the Credit Facility Provider or the Bondholders in respect of any such costs or to any diminution or abatement in the repayment of the Bond Loan. Neither of the Trustee nor the Issuer makes any representation or warranty, either express or implied, that money, if any, which will be paid into the Bond Proceeds Fund or otherwise made available to the Borrower will be sufficient to complete the Project, and neither of the Trustee nor the Issuer shall be liable to the Borrower, the Bondholders or any other person if for any reason the Project is not completed.

Section 5.15 Filing of Financing Statements. The Borrower shall file or record or cause to be filed or recorded on or prior to the Delivery Date and the Conversion Date, as applicable, all UCC financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to the priority of the Bond Loan, the Trust Estate and the Bond Mortgage, and the rights and powers of the Issuer, the Trustee and the Credit Facility Provider in connection with such security interests. The Borrower shall cooperate with the Trustee in connection with the filing of any continuation statements for the purpose of continuing without lapse the effectiveness of such financing statements.

ARTICLE VI

INDEMNIFICATION

Section 6.1 Indemnification.

(a) Subject to the provisions of subsections (b) and (c) of this Section, the Borrower hereby agrees to pay, indemnify and hold harmless the Issuer and the Trustee, the commissioners, directors and officers of the Issuer, the Trustee and their respective employees, attorneys, agents, trustees and representatives (collectively, the “Indemnified Parties”) from any and all losses, damages, costs, expenses and fees (including all reasonable attorneys’ fees, costs and expenses), causes of action, suits, allegations, claims, demands, judgments and liabilities of whatsoever nature or kind (including, but not limited to, any documentary stamp or transfer taxes due and payable in connection with the Loan, if any, litigation and court costs, amounts paid in settlement by or with

the approval of the Borrower and amounts paid to discharge judgments) directly or indirectly resulting from or arising out of or relating to:

- (i) the issuance, offering, sale, delivery or remarketing of the Bonds;
- (ii) the design, construction, installation, operation, use, occupancy, maintenance, management or ownership of the Project by the Borrower and any predecessors in title;
- (iii) the enforcement of (a) the Tax Regulatory Agreement or (b) the provisions of the Documents and any other document executed by the Borrower in connection with issuance of the Bonds and the making of the Loan and (c) the obligations of the Borrower imposed hereby or thereby;
- (iv) any untruthful, misleading or inaccurate information supplied by the Borrower relating to the Project, the Borrower, the property manager or to the terms of financing relating to the Project;
- (v) any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the operation, use, non-use, maintenance, construction, installation, condition or occupancy of the Project or any part thereof and by any predecessors in title, including any and all acts or operations relating to any construction or repair performed by the Borrower and by any predecessors in title in connection with the Project, other than that caused by any gross negligence or willful act of the Issuer or anyone acting on its behalf;
- (vi) any violation, breach or alleged breach of any agreement, covenant, representation, warranty or condition of this Agreement (except in the case of a breach alleged by the Issuer or the Trustee and such alleged breach is not found by a court of competent jurisdiction), except by the Issuer or the Trustee;
- (vii) any determination of taxability with respect to the Bonds, including the fees and expenses of the Issuer and its counsel in responding to any inquiry or audit by the Internal Revenue Service or resulting litigation or settlement in connection therewith;
- (viii) the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Project of hazardous materials or the violation or alleged violation of any federal, state or local environmental law, regulation, order, consent decree or administrative action, official interpretation thereof in connection with the Project; and
- (ix) any and all other losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including, but not limited to, any documentary stamp or transfer taxes due and payable in connection with the Loan, if any, reasonable attorneys' fees, costs and expenses, litigation and court costs, amounts paid in settlement by or with the approval of the Borrower and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of, or related to the issuance, offering, sale or delivery of the Bonds;

(x) any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue or misleading statement, or alleged untrue or misleading statement, of a material fact contained in any offering or disclosure document or other offering materials relating to the sale or remarketing of the Bonds (collectively, "Disclosure Statement") or the omission or alleged omission of any material fact of any Disclosure Statement, necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, the Borrower shall have no indemnification obligation with respect to any statement or omission for which the Indemnified Party is responsible; and

(xi) the performance by the Trustee of its duties under the Indenture and any Bond Financing Document.

(b) Notwithstanding the foregoing, the Trustee shall not be indemnified hereunder for any claims or damages arising from its own negligent acts or omissions, or from any willful misconduct by the Trustee with respect to the provisions of the Indenture.

(c) After receipt by the Indemnified Parties of notice (notice to the Indemnified Parties being service with respect to the filing of any legal action, receipt of any claim in writing or similar form of actual notice) of any claim as to which they assert a right to indemnification, the Indemnified Parties will notify the Borrower of such claim. The Indemnified Parties will provide notice to the Borrower promptly, but in no event later than fifteen (15) Business Days following their receipt of a filing relating to a legal action or thirty (30) days following their receipt of any other claim.

(d) The provisions of this Section shall be in addition to and not limited by the provisions of Section 5.01 hereof and shall survive the payment of the Bonds and the discharge of the Indenture, the termination of this Agreement or the sooner resignation or removal of the Trustee.

Section 6.2 Limitation With Respect to the Credit Facility Provider. Notwithstanding anything in this Financing Agreement to the contrary, in the event that the Credit Facility Provider shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Bond Loan, the Credit Facility Provider shall not be liable for any breach or default of any prior owner of the Project under this Financing Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Credit Facility Provider is the owner of the Project. Accordingly, during any period that the Credit Facility Provider owns the Project and that this Article VI is applicable to the Credit Facility Provider, the Credit Facility Provider's obligations under this Article VI shall be limited to acts and omissions of the Credit Facility Provider occurring during the period of the Credit Facility Provider's ownership of the Project.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. The following shall be “**Events of Default**” under this Financing Agreement and the term “Event of Default” shall mean, whenever it is used in this Financing Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Bond Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Issuer for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under this Financing Agreement, the Bond Note or the Bond Mortgage at the times and in the amounts required by this Financing Agreement, the Bond Note and the Bond Mortgage, as applicable;

(c) The Borrower’s failure to observe and perform any of its other covenants, conditions or agreements contained herein, other than as referred to in clause (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given by the Issuer, the Credit Facility Provider (after Conversion) or the Trustee to the Borrower; provided, however, that if the failure shall be such that it can be corrected but not within such period, the Issuer, the Credit Facility Provider (after Conversion) and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected; or

(d) After the Conversion Date, the occurrence of an event of default (after expiration of any notice and cure period, if applicable) under the Reimbursement Agreement shall at the discretion of the Credit Facility Provider constitute an Event of Default under this Financing Agreement but only if the Trustee and the Issuer are provided written notice thereof by the Credit Facility Provider that an Event of Default has occurred under the Reimbursement Agreement and the Trustee and the Issuer are instructed by the Credit Facility Provider that such default constitutes an Event of Default hereunder. The occurrence of an Event of Default hereunder shall in the discretion of the Credit Facility Provider constitute a default under the Bond Loan Documents and the Reimbursement Agreement.

Nothing contained in this Section 7.1 is intended to amend or modify any of the provisions of the Bond Financing Documents or to bind the Issuer, the Trustee, the Servicer or the Credit Facility Provider to any notice and cure periods other than as expressly set forth in the Bond Financing Documents.

Section 7.2 Remedies on Default. Subject to Section 7.6 hereof and, following the Conversion Date, provisions of the Intercreditor Agreement, whenever any Event of Default hereunder shall have occurred and be continuing, the Trustee or the Issuer where so provided may take any one or more of the following remedial steps:

(a) The Issuer shall cooperate with the Trustee as the Trustee acts pursuant to Section 6.02 of the Indenture.

(b) In the event any of the Bonds shall at the time be Outstanding and not paid and discharged in accordance with the provisions of the Indenture, the Issuer or the Trustee may have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(c) The Issuer or the Trustee may, without being required to give any notice (other than to the Issuer or the Trustee, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(d) The Issuer or Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments due under this Financing Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Financing Agreement.

Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of and interest and any premium (if any) on the Bonds collected pursuant to action taken under this Section 7.2 shall be applied in accordance with the provisions of the Indenture.

The provisions of this Section 7.2 are subject to the further limitation that if, after any Event of Default hereunder all amounts which would then be payable hereunder by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and the Borrower shall have also performed all other obligations in respect of which it is then in default hereunder, and shall have paid the reasonable charges and expenses of the Issuer, the Trustee, and following the Conversion Date, the Servicer and the Credit Facility Provider, including reasonable attorneys' fees paid or incurred in connection with such default, and shall have paid all amounts then due to the Credit Facility Provider, including, but not limited to, any Freddie Mac Reimbursement Amounts and Freddie Mac Credit Enhancement Fees, and if there shall then be no default existing under the Indenture, then and in every such case such Event of Default hereunder shall be waived and annulled, but no such waiver or annulment shall affect any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.3 No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required by this Financing Agreement.

Section 7.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Financing Agreement and the Issuer, the Trustee, and following the Conversion Date, the Servicer or the Credit Facility Provider, should employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in this Financing Agreement or in the Bond Note, the Borrower shall on demand therefor reimburse the fees of such attorneys and such other expenses so incurred.

Section 7.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Financing Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.6 Rights of Credit Facility Provider. Notwithstanding anything herein to the contrary, following the Conversion Date, as long as a Wrongful Dishonor has not occurred with respect to the Credit Facility, none of the Issuer, the Trustee or any other person shall, upon the occurrence of an Event of Default hereunder or an event of default under any other Bond Financing Document, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Loan, except at the written direction of the Credit Facility Provider; provided that this prohibition shall not be construed to limit the rights of the Issuer or the Trustee to specifically enforce the Tax Certificate and the Regulatory Agreement in order to provide for operation of the Project in accordance with the Code and the laws of the State, including the Act; and provided further that this prohibition shall not be construed to limit the rights of the Issuer, the Trustee, the Servicer, the Credit Facility Provider or any indemnified party under Section 6.1 hereof to enforce its rights against the Borrower under Sections 2.4, 2.5, 4.2, 4.3, 6.1 and 7.4 hereof by mandamus or other suit, action or proceeding at law or in equity where such suit, action or proceeding does not seek any remedies under or with respect to the Bond Mortgage or cause acceleration of the Bond Loan.

Section 7.7 Equity Investor Notice and Cure Rights. Notwithstanding anything herein to the contrary, any cure of an Event of Default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower (but only if and to the extent a cure right is provided to the Borrower for any such Event of Default) and shall be accepted or rejected on the same basis as if made or tendered by the Borrower. Whenever in this Financing Agreement the giving of notice for an Event of Default is required, a courtesy copy of such notice shall be delivered by Issuer or Trustee to:

Investor Member:	Hudson RGC2 Southwest 4 LLC c/o Hudson Housing Capital LLC 630 Fifth Avenue, 28th Floor New York, New York 10111 Attention: Joseph A. Macari Fax No.: (212) 218-4467
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Special Member:

Hudson SLP LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

With copies to:

Bocarsly Emden Cowan Esmail &
Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, California 90071
Attention: Craig A. Emden
Fax No.: (213) 559-0747

provided, however, that any failure to provide such courtesy copy notice will not affect the validity or sufficiency of any notice to Borrower, will not affect the Issuer's, the Trustee's or following the Conversion Date, the Credit Facility Provider's rights and remedies under this Financing Agreement or under any other Bond Financing Documents, nor subject the Issuer, the Trustee or following the Conversion Date, the Credit Facility Provider to any claims by or liability to Equity Investor.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Notices.

(a) Whenever in this Financing Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Issuer, the Trustee, the Borrower, the Credit Facility Provider or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth in Section 11.05 of the Indenture or upon receipt of such notice or other communication delivered by facsimile transmission as required or permitted by this Financing Agreement (receipt of which shall be evidenced by confirmation of transmission). The Issuer, the Trustee, the Borrower or the Credit Facility Provider or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Credit Facility Provider and a duplicate copy of each notice or other communication given hereunder by any party to the Credit Facility Provider shall be given to the Servicer.

The Trustee agrees to accept and act upon facsimile transmission or Electronic Notice of written instructions and/or directions pursuant to this Financing Agreement.

(b) The Trustee shall provide to the Credit Facility Provider and the Servicer (i) prompt notice of the occurrence of any Event of Default hereunder and (ii) any written information or other communication received by the Trustee hereunder within ten (10) Business Days of receiving a written request from the Credit Facility Provider for any such information or other communication.

Section 8.2 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Financing Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Financing Agreement shall bind its successors and assigns and inure to the benefit

of the successors and assigns of the Issuer, the Trustee, the Servicer and the Credit Facility Provider.

Section 8.3 Governing Law. This Financing Agreement and the Exhibits attached hereto shall be construed in accordance with and governed by the laws of the State (without giving effect to conflict of laws principles).

Section 8.4 Modifications in Writing. Modification or the waiver of any provisions of this Financing Agreement or consent to any departure by the parties therefrom, shall in no event be effective unless the same shall be in writing approved by the parties hereto (and, following the Conversion Date, shall require the prior written consent of the Credit Facility Provider) and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given and so long as the interests of any Bondholders are not adversely affected and the Trustee consents in writing thereto. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

Section 8.5 Further Assurances and Corrective Instruments. The Issuer, the Trustee and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required (including such supplements or further instruments reasonably requested by the Credit Facility Provider following the Conversion Date) for correcting any inadequate or incorrect description of the performance of this Financing Agreement.

Section 8.6 Captions. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Financing Agreement.

Section 8.7 Severability. The invalidity or unenforceability of any provision of this Financing Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 8.8 Counterparts. This Financing Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.9 Amounts Remaining in Bond Fund or Other Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund or other funds and accounts established under the Indenture upon expiration or sooner termination of the term hereof, shall be paid in accordance with the Indenture.

Section 8.10 Effective Date and Term. This Financing Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in full force from the date hereof, and, subject to the provisions hereof, shall expire on such date as the Indenture shall terminate.

Section 8.11 Cross References. Any reference in this Financing Agreement to an "Exhibit," an "Article," a "Section," a "Subsection" or a "Paragraph" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Financing Agreement, an article of this Financing Agreement, a section of this Financing Agreement, a

subsection of the section of this Financing Agreement in which the reference appears and a paragraph of the subsection within this Financing Agreement in which the reference appears. All exhibits attached to or referred to in this Financing Agreement are incorporated by reference into this Financing Agreement.

Section 8.12 Credit Facility Provider and Servicer as Third-Party Beneficiaries.

The parties hereto agree and acknowledge that, following the Conversion Date, the Credit Facility Provider and the Servicer will be third party beneficiaries of this Financing Agreement.

Section 8.13 Credit Facility Provider References. Prior to Conversion, the Credit Facility Provider shall be entitled to receive all notices and request information from the Trustee as herein provided. Following Conversion, all references herein to the rights of the Credit Facility Provider and the Servicer shall be of no force and effect upon and during the continuance of any Wrongful Dishonor.

Section 8.14 Non-Liability of Issuer. All obligations of the Issuer incurred under the Indenture or in connection with the issuance of the Bonds shall be limited obligations of the Issuer, payable solely and only from Bond proceeds, revenues and other amounts derived by the Issuer from the Trust Estate. The Bonds shall be payable solely from the revenues and other funds and property pledged under the Indenture for the payment of the Bonds, and no owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body thereof, nor to enforce the payment thereof against any property of the State or any such political subdivision or other public body, including the Issuer except as provided in the Indenture.

It is expressly understood and agreed by the parties to this Financing Agreement that:

(a) The Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, any Bondholder or the Owner as to the existence of a fact or state of affairs required hereunder to be noticed by the Issuer.

(b) The Issuer shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Trustee or the Borrower.

(c) None of the provisions of this Financing Agreement shall require the Issuer to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred thereby.

The Borrower hereby acknowledges that the Issuer's sole source of money to repay the Bonds will be provided by the payments made by the Borrower pursuant to this Financing Agreement, together with investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or redemption price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any

deficiency or default in the payment of such principal (or redemption price or purchase price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

Section 8.15 No Liability of Officers. No recourse under or upon any obligation, covenant, or agreement or in any Bonds, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, director, commissioner, employee, agent or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Owner of any Bonds, of any sum that may be due and unpaid by the Issuer upon any of the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, commissioner, employee, agent or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Owner of any Bonds, of any sum that may remain due and unpaid upon the Bonds or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Financing Agreement and the issuance of the Bonds.

Section 8.16 Capacity of the Trustee. The Trustee is entering into this Financing Agreement solely in its capacity as Trustee and shall be entitled to the rights, protections, limitations from liability and immunities afforded it as Trustee under the Indenture. The Trustee shall be responsible only for the duties of the Trustee expressly set forth herein and in the Indenture.

Section 8.17 Reliance. The representations, covenants, agreements and warranties set forth in this Financing Agreement may be relied upon by the Issuer, the Trustee, Bond Counsel, and following the Conversion Date, the Servicer and the Credit Facility Provider. In performing their duties and obligations under this Financing Agreement and under the Indenture, the Issuer and the Trustee may rely upon statements and certificates of the Borrower, upon certificates of tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Trustee under this Financing Agreement and under the Indenture in good faith and in conformity with the opinion of such counsel. It is expressly understood and agreed by the parties to this Financing Agreement (other than the Issuer) that:

(a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, any Bondholder or the Borrower as to the existence of a fact or state of affairs required under this Financing Agreement to be noticed by the Issuer;

(b) the Issuer shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to

be performed by the Trustee, the Credit Facility Provider, the Servicer or the Borrower, as applicable; and

(c) none of the provisions of this Financing Agreement shall require the Issuer or the Trustee to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Financing Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Financing Agreement, all as of the date first set forth above.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

[ISSUER'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – SW4
FINANCING AGREEMENT]

DMFIRM #413731628

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Matthew Maselko, Vice President

[TRUSTEE'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – SW4
FINANCING AGREEMENT]

DMFIRM #413731628

RGC2 SOUTHWEST 4 OWNER LLC, a Virginia limited liability company

By: RGC2 Southwest 4 MM LLC, a Delaware limited liability company, its managing member

By: _____
Russell Condas, Vice President

[BORROWER'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – SW4
FINANCING AGREEMENT]

DMFIRM #413731628

EXHIBIT A

FORM OF BOND NOTE

**Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project)
Series 2024A and Series 2024B**

MULTIFAMILY NOTE

US \$[14,500,000]

October [31], 2024

FOR VALUE RECEIVED, the undersigned, RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), promises to pay to the order of the Fairfax County Redevelopment and Housing Authority (the “Issuer”), and its assigns, the principal sum of [FOURTEEN MILLION FIVE HUNDRED THOUSAND] DOLLARS (US \$[14,500,000].00), plus premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This Note is issued pursuant to that certain Financing Agreement dated as of October 1, 2024, among the Issuer, The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) and the Borrower (together with any and all amendments, modifications, supplements and restatements, the “Financing Agreement”) pursuant to which the Issuer has made a loan in the principal amount of this Note to the Borrower (the “Bond Loan”), and this Note is entitled to the benefits of the Financing Agreement and subject to the terms, conditions and provisions thereof. The Bond Loan was funded with proceeds from the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A and the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B (collectively, the “Bonds”) issued pursuant to the Trust Indenture dated as of October 1, 2024 (the “Indenture”) between the Issuer and the Trustee.

1. **Defined Terms.** As used in this Note, (i) the term “Lender” means the holder of this Note, and (ii) the term “Indebtedness” means the principal of, premium, if any, and interest on or any other amounts due at any time under this Note. “Event of Default” and other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Financing Agreement or the Indenture.

2. **Payments of Principal and Interest.** All payments under this Note shall be due on, and shall be made on dates, in amounts, at times and in a manner which corresponds with the Issuer’s obligation to make or provide for payments under the Bonds, and to that end, the Borrower agrees to make payments under this Note at all times in amounts sufficient to enable the Trustee, on behalf of the Issuer, to make timely payment, when due, of the principal of, premium, if any, on, and interest on, the Bonds, whether at maturity, by acceleration, on redemption, mandatory tender or otherwise, all as provided in the Bonds and in the Indenture.

Following the Conversion Date, the Borrower's repayment obligations under the Financing Agreement and this Note shall be reduced from time to time by and to the extent of any amounts drawn under the Credit Facility (as defined in the Indenture) and applied to the payment of debt service on the Bonds, provided that such reductions shall be credited only at the times and to the extent the Borrower has reimbursed the Credit Facility Provider (as defined in the Indenture) fully for such amounts.

The outstanding principal hereof is subject to acceleration at the same time or times and under the same terms and conditions, and with the same notice, if any, as provided under the Indenture for the acceleration of payment of the Bonds. Notwithstanding anything to the contrary contained herein or the Financing Agreement, the payments in respect of the Bond Loan evidenced hereby shall be sufficient to pay, when due (whether at stated maturity, upon redemption or mandatory tender before maturity, upon acceleration of stated maturity or otherwise), the principal of and premium, if any, and interest on the Bonds at any time outstanding.

3. **Payment of Fees and Expenses; Other Required Payments.** The Borrower shall also pay fees and expenses under Section 4.2 of the Financing Agreement, rebate amounts under Sections 2.4 and 4.3 of the Financing Agreement, indemnification amounts under Section 6.1 of the Financing Agreement, attorney fees and other expenses under Section 7.4 of the Financing Agreement, as well as any other amounts owed under the Financing Agreement, when due and in accordance with the terms and provisions set forth therein.

4. **Manner of Payment; Deficiencies.** All payments under this Note shall be made in lawful currency of the United States and in immediately available funds. The Borrower shall make its payments under this Note in Eligible Funds if and to the extent that the Indenture, the Financing Agreement or this Note requires such amount to be available to the Trustee in Eligible Funds. In the event of any deficiency in the funds available under the Indenture for payment of the principal of, premium, if any, or interest on the Bonds when due, the Borrower shall immediately pay the amount of the deficiency to the Trustee upon notice of the deficiency from the Issuer, the Servicer or the Trustee. The Borrower shall be obligated to pay the deficiency regardless of the reason for the deficiency, including any deficiency resulting from any shortfall in payments made or to be made by the Borrower under this Note, any loss due to a default under any investment held by the Trustee, a change in value of any such investment or otherwise.

5. **Application of Payments.** If at any time the Lender receives, from the Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Lender, in the Lender's discretion. The Borrower agrees that neither the Lender's acceptance of a payment from the Borrower in an amount that is less than all amounts then due and payable nor the Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

6. **Security.** On and after the Conversion Date, the Indebtedness will be secured by, among other things, a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the "Bond Mortgage"). Reference is made to the Bond Mortgage for other rights of the Lender as to collateral for the Indebtedness.

7. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note shall at once become due and payable, at the option of the Lender, as governed by the Indenture, without any prior notice to the Borrower. The Lender may exercise this option to accelerate regardless of any prior forbearance.

8. **Limits on Personal Liability.** Except as otherwise provided in Section 5.1 of the Financing Agreement, payments under this Note are a nonrecourse obligation of the Borrower and the Lender's only recourse for the satisfaction of the Indebtedness shall be the Lender's exercise of its rights and remedies with respect to the Project and any other collateral held by the Lender as security for the Indebtedness. This limitation on the Borrower's liability shall not limit or impair the Lender's enforcement of its rights against any guarantor of the Indebtedness or any guarantor of any obligations of the Borrower.

9. **Prepayment.** This Note is subject to prepayment as specified in the Financing Agreement and the Indenture.

10. **Costs and Expenses.** The Borrower shall pay all expenses and costs, including fees and out-of-pocket expenses of attorneys, and fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by the Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Bond Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or nonjudicial foreclosure proceeding.

11. **Forbearance.** Any forbearance by the Lender in exercising any right or remedy under this Note or any other document evidencing or securing the Bond Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Lender of any security for the Borrower's obligations under this Note shall not constitute an election by the Lender of remedies so as to preclude the exercise of any other right or remedy available to the Lender.

12. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Borrower and all endorsers and guarantors of this Note and all other third-party obligors.

13. **Loan Charges.** If any applicable law limiting the amount of interest or other charges permitted to be collected from the Borrower in connection with the Bond Loan is interpreted so that any interest or other charge provided for herein or in any other document evidencing or securing the Bond Loan, whether considered separately or together with other charges provided for in any such other document, violates that law, and the Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation.

14. **Commercial Purpose.** The Borrower represents that the Indebtedness is being incurred by the Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household purposes.

15. **Governing Law.** This Note shall be governed by the law of the Commonwealth of Virginia (the "Property Jurisdiction").

16. **Captions.** The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

17. **Address for Payment.** All payments due under this Note shall be payable at the principal office of the Trustee as designated in the Indenture, or such other place as may be designated by written notice to the Borrower from or on behalf of the Lender.

18. **Consent to Jurisdiction and Venue.** The Borrower agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction in which the Project is located. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. The Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

19. **Waiver of Trial by Jury.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE BORROWER AND THE LENDER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS THE LENDER AND THE BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. EACH PARTY SEPARATELY GIVES THIS WAIVER OF RIGHT TO TRIAL BY JURY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

20. **Assignment.** The Borrower acknowledges that this Note is being assigned by the Issuer to the Trustee for the Bonds.

[Signature page follows]

IN WITNESS WHEREOF, the Borrower has signed and delivered this Note or has caused this Note to be signed and delivered by its duly authorized representative.

RGC2 SOUTHWEST 4 OWNER LLC, a Virginia limited liability company

By: RGC2 Southwest 4 MM LLC, a Delaware limited liability company, its managing member

By: _____
Russell Condas, Vice President

ASSIGNMENT

Pay to the order of The Bank of New York Mellon Trust Company, N.A., without recourse or warranty, as Trustee under the Indenture referred to in the attached Note.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton, Chair

BALLARD DRAFT 10/11/2024

Return to:

**Ballard Spahr LLP
1909 K Street, NW, 12th Floor
Washington, DC 20006
Attention: Jeffrey S. Ballard, Esq.**

LAND USE RESTRICTION AGREEMENT

By and Among

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY,
as Issuer,**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee,**

and

**RGC2 SOUTHWEST 4 OWNER LLC
as Owner**

Dated as of October 1, 2024

**Executed as Part of the Proceedings
for the Authorization and Issuance of:**

**[\$11,310,000]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 – SW4 Project)
Series 2024A**

and

**[\$3,190,000]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 – SW4 Project)
Series 2024B**

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EXHIBITS

- EXHIBIT A – LEGAL DESCRIPTION
- EXHIBIT B – INCOME CERTIFICATION
- EXHIBIT C – CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE
- EXHIBIT D – FREDDIE MAC RIDER TO LAND USE RESTRICTION AGREEMENT

LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (the “**Agreement**”) is made and entered into as of October 1, 2024, by and among the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY** (the “**Issuer**”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, in its capacity as trustee under the Indenture (as hereinafter defined) (the “**Trustee**”), and **RGC2 SOUTHWEST 4 OWNER LLC**, a Virginia limited liability company, together with any successor thereto permitted under Section 9 hereof and any future owner of the Project during the Term of this Agreement as defined herein (the “**Owner**”).

RECITALS

WHEREAS, the Issuer is issuing its \$[11,310,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A (the “**Series A Bonds**”) and its \$[3,190,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B (the “**Series 2024B Bonds**” and together with the Series A Bonds, the “**Bonds**”) pursuant to the Trust Indenture dated as of October 1, 2024 (the “**Indenture**”) between the Issuer and the Trustee to (1) finance or reimburse a portion of the costs of the acquisition, construction and equipping of a sixty-nine (69) unit affordable rental housing project to be known as Residences at Government Center 2 – SW4 (the “**Project**”), located in Fairfax County at 12020 Government Center Parkway, Fairfax, Virginia 22035, to be occupied by persons of low or moderate income in compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “**Code**”), which Project is comprised of residential units and associated parking, (2) fund capitalized interest and related reserves, if any, and (3) pay costs of issuance of the Bonds;

WHEREAS, the Owner has a leasehold interest in the Premises comprising the Project as further described in the Deed of Lease dated as of [____], 2024, by and between the Issuer as landlord and the Owner as tenant (as further amended, supplemented or restated, the “**Ground Lease**”), and the Declaration of Condominium for Residences at Government Center II South Land Condominium dated as of [____], 2024 (the “**Declaration**”), and which are situated on the property further described in **Exhibit A** hereto;

WHEREAS, the Issuer is making a loan (the “**Loan**”) of the proceeds of the Bonds to the Owner pursuant to the terms of a Financing Agreement dated as of October 1, 2024 (the “**Financing Agreement**”) among the Issuer, the Trustee and the Owner;

WHEREAS, Capital One, National Association, a national banking association (the “**Construction Lender**”), has agreed to provide a separate construction loan (the “**Construction Loan**”) to the Borrower, the proceeds of which shall be advanced pursuant to the Construction Loan Documents and a portion thereof deposited in the Collateral Fund held by the Trustee under the Indenture to permit a like amount of Bond proceeds to be released to finance a portion of the costs of the acquisition, construction and equipping of the Project. The Construction Lender will administer the Construction Loan during the Construction Phase in accordance with the Construction Loan Documents;

WHEREAS, the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) has entered into a forward commitment with Capital One, National Association, as servicer to Freddie Mac (in such capacity, the “**Servicer**”) dated October [], 2024 (the “**Freddie Mac Commitment**”), whereby Freddie Mac has committed, subject to the satisfaction of certain conditions set forth in the Freddie Mac Commitment (the “**Conditions to Conversion**”), to facilitate financing of the Project during the Permanent Phase following completion of construction and stabilization of the Project, by providing its credit enhancement with respect to the Series A Bonds Outstanding following the Conversion Date (as defined herein) for the Loan pursuant to a Credit Enhancement Agreement to be entered into between the Trustee and Freddie Mac on the date to be identified by the Servicer for conversion of the Project to the Permanent Phase after the Conditions to Conversion have been satisfied (the “**Conversion Date**”);

WHEREAS, except as provided herein, the Issuer has required as a condition to the disbursement of proceeds of the Bonds pursuant to the Indenture that the Owner execute, deliver and record in the official land records of Fairfax County, Virginia, this Agreement to create certain covenants running with the Land for the purpose of preserving the tax-exempt status of interest on the Bonds by regulating and restricting the use and occupancy of the Project as set forth herein;

WHEREAS, the Owner, under this Agreement, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use and occupancy of the Project shall be covenants running with the Land, encumbering the Land for the term stated herein and binding upon all subsequent owners of the Land for such term, and are not merely personal covenants of Owner; and

NOW, THEREFORE, in consideration of the premises set forth hereinabove, the consideration recited in Section 2 hereof, the mutual covenants set forth hereinafter, ten dollars in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions and Interpretation. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, (a) all capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Indenture, which meanings are hereby incorporated herein by reference, or, if not defined in the Indenture, shall have the meanings ascribed thereto in the Financing Agreement, which meanings are hereby incorporated herein by reference, in each case as fully as if such meanings were set forth herein in their entirety, (b) the terms defined in the premises hereinabove shall have such respective meanings set forth hereinabove for the purposes of this Agreement, and (c) the following terms shall have the respective meanings set forth below for all purposes of this Agreement:

“Act” means the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended.

“Adjusted Household Income” means that annual income which does not exceed, with respect to the occupants of Units required to be occupied by Lower-Income Tenants pursuant to Section 7 hereof, the maximum annual income specified in the definition of “Lower-Income Tenants” herein determined in a manner consistent with determinations of

lower-income families under Section 8 of the United States Housing Act of 1937, as amended and in accordance with Section 142(d) of the Code, and adjusted for family size.

“Affiliate” means (a) any general partner of a partnership or joint venture with the Owner, (b) any member of the Owner or the owner of any shares of stock in a corporate Owner or a corporate general partner of a partnership or joint venture Owner, (c) any general partner of any partnership which is a general partner of an Owner or a general partner of such general partner, and (d) any other person or entity which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, an Owner or any of the foregoing. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting stock, by contract or otherwise.

“Bonds” means the Issuer’s \$[11,310,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A and \$[3,190,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto, as in effect on the date in question, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto or with respect to any predecessor statute by the United States Department of the Treasury or the Internal Revenue Service. All references herein to sections, paragraphs or other subdivisions of the Code or the regulations promulgated thereunder shall be deemed to be references to correlative provisions of any successor code or regulations promulgated thereunder.

“Compliance Certificate” means a Certificate of Continuing Program Compliance substantially in the form of Exhibit C hereto, as such form may be revised by the Issuer from time to time upon the advice of Bond Counsel.

“Condominium Regime” means that certain condominium regime established pursuant to the Declaration by Issuer, the Owner, RGC2 Southwest 9 Owner LLC and RGC2 Southwest 4 Owner LLC.

“Condominium Unit” means the condominium units comprising the Project as such units are further described in the Declaration, and which condominium units are owned by Owner.

“Conversion Date” has the meaning set forth in the Recitals.

“Costs of Issuance” means, with respect to the Bonds, all expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, underwriters’ spread, discount or commission, counsel fees (including Bond Counsel, Owner’s counsel to the extent applicable to the issuance of the Bonds, Issuer’s counsel, counsel to the Trustee, as well as any other similar specialized counsel fees), financial advisor fees relating to the sale of the Bonds, rating agency fees, Trustee

fees, paying agent fees, accountant fees related to issuance of the Bonds, printing costs, costs incurred in connection with the required public approval process and all other fees or expenses constituting “costs of issuance” within the meaning of Section 147(g) of the Code.

“Determination of Taxability” means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond is or was includable in the gross income of a Holder of the Bonds for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose unless the Borrower and the Issuer have been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Holder of a Bond, and until the conclusion of any appellate review beyond all applicable appeals periods, if sought.

“Event of Default” has the meaning ascribed thereto in Section 13(a) hereof.

“Functionally Related and Subordinate” means facilities for use by tenants of the Project, including parking areas, and other facilities which are reasonably required for the Project, such as heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance personnel.

“Ground Lease” means that certain Deed of Lease dated as of [____], 2024, by and between the Issuer as landlord and the Owner as tenant, as further amended, supplemented or restated.

“HUD” means the United States Department of Housing and Urban Development, or any federally created successor thereto.

“Income Certification” means an Income Certification substantially in the form of Exhibit B hereto, as such form may be revised by the Issuer from time to time upon the advice of Bond Counsel and with notice to the Owner.

“Issuance Date” means the date of initial issuance and delivery of the Bonds which is October [31], 2024.

“Land” means the real property described in Exhibit A attached hereto.

“Loan” means the loan in the original principal amount of \$[14,500,000] made by the Issuer to the Owner pursuant to the Financing Agreement and evidenced by the Note.

“Financing Agreement” means the Financing Agreement dated as of October 1, 2024, between the Owner, the Trustee and the Issuer, setting forth the terms of the Loan, as such agreement may be supplemented and amended.

“Lower-Income Tenants” means individuals or families of low or moderate income satisfying the maximum Adjusted Household Income requirements in order for the Project to qualify as a “qualified residential rental project” within the meaning of Section 142(d)

of the Code and applicable regulations thereunder, which require that the Adjusted Household Income (determined in a manner consistent with determinations of area median gross income under Section 8 of the United States Housing Act of 1937, as amended, which determinations shall include adjustments for family size) of all occupants of a dwelling Unit will not exceed 60% of the Median Income for the applicable family size. Occupants will not fail to be treated as Lower Income Tenants merely because such occupants are or will be full-time students during five calendar months of the calendar year at an educational institution (other than a correspondence school) with regular faculty and students, provided such students in the unit (1) are receiving assistance under title IV of the Social Security Act (including AFDC/TANF) or the Job Training Partnership Act or under similar Federal, State, or local laws, or were previously under the care and placement responsibility of the State agency responsible for administering a plan under Part B or part E of title IV of the Social Security Act (foster care assistance), or (2) are married and entitled to file a joint return, or (3) are single parents and their children, and neither the parent nor the children are dependents of another taxpayer. The determination of a tenant's status as a tenant shall be made by the Owner upon initial occupancy of a unit in the Project by such Lower-Income Tenant and annually thereafter, on the basis of an Income Certification executed by the tenant.

“Median Income” means the area median gross income for the Washington, D.C. Metropolitan Statistical Area, as determined from time to time by HUD in a manner consistent with determinations of area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or if such program is terminated, under such program as in effect immediately before such termination).

“Occupancy Date” means the later of the Issuance Date or first date on which at least 10% of the Units in the Project are first occupied.

“Owner” means RGC2 Southwest 4 Owner LLC, a Virginia limited liability company, together with any successor thereto permitted in accordance with Section 9 hereof and any future owner of the Project during the Term of this Agreement.

“Project” means the sixty-nine (69)-unit affordable multifamily rental housing project to be known as Residences at Government Center 2 – SW4, located in Fairfax County at 12020 Government Center Parkway, Fairfax, Virginia, which will be operated and maintained in compliance with this Agreement.

“Qualified Project Costs” means costs of the Project that are incurred for the purpose of constructing and equipping a project for residential rental property and facilities Functionally Related and Subordinate thereto, within the meaning of Section 142(d) of the Code and Section 1.103-8 of the Regulations, as the same may be amended from time to time, and only to the extent that such costs are chargeable to the Project's capital account or could be so chargeable either with a proper election by the Owner or but for a proper election by the Owner to deduct such costs, within the meaning of Section 1.103-8(a)(1) of the Regulations.

“Qualified Project Period” means that period, beginning on the Occupancy Date and ending on the latest of (a) the date which is fifteen (15) years after the first date on which at least 50% of the Units in the Project are or were first occupied, (b) the first day on which no tax-exempt “private activity bond” (within the meaning of Section 141(a) of the Code) (including the Bonds or any tax-exempt refunding bonds) issued with respect to the Project is outstanding, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates.

“Qualified Unit” shall mean a residential Unit in the Project occupied by or held available for occupancy by Lower-Income Tenants.

“Regulation” or “Regulations” or “Treasury Regulations” means the temporary, proposed or final Income Tax Regulations promulgated by the United States Department of the Treasury and applicable to the Bonds.

“State” shall mean the Commonwealth of Virginia.

“Tax Certificate” means the Tax Compliance Agreement and Arbitrage Certificate dated the Issuance Date between the Issuer and the Owner.

“Tax Requirements” shall mean, collectively, the applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code and other Sections of the Code (including, without limitations, Sections 103, 141, 146, 147, 148, 149 and 150), if applicable to the Project or the Bonds or both.

“Term of this Agreement” shall mean the term determined pursuant to Section 11 hereof.

“Unit” or “Units” shall mean dwelling units within the Project meeting the requirements of this Agreement and made available for rental, and not ownership, by tenants who are members of the general public, each of which shall be a self-contained housing unit with complete living, sleeping, eating, cooking and sanitation facilities for a single person or a family, and which are to be used other than on a transient basis. The Units shall at all times be constructed and maintained in substantial accordance with applicable building code standards of Fairfax County, Virginia.

Unless the context clearly requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof, and shall never be considered or given

any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Consideration. The Issuer has issued the Bonds in order to provide moneys to make the Loan. In consideration of the disbursement of proceeds of the Loan pursuant to the Indenture, the Owner has entered into this Agreement, has agreed to comply fully with the provisions hereof, has granted to the Trustee and the Issuer the enforcement rights set forth in Section 13 hereof, and has knowingly waived certain rights as stated in Section 13 hereof intending to be legally and irrevocably bound by such waiver. The Owner acknowledges and agrees that essential parts of the consideration bargained for by the Issuer are the Owner's agreement to comply fully with the provisions of this Agreement and the availability of the enforcement rights and remedies set forth herein (including, without limitation, in Section 13 hereof) and other legal or equitable remedies. The Owner hereby agrees that, because the injury to the Issuer, the holders of the Bonds and others relying hereon arising from an Event of Default under this Agreement by the Owner could not be compensated for by monetary damages or by the remedies at law available to the Issuer or the Trustee, which would be wholly inadequate to implement the Issuer's public purposes under the Act and to maintain the tax-exempt status of interest on the Bonds, upon an Event of Default hereunder, the granting of equitable performance relief in the form of specific performance of this Agreement, or an injunction against any violation of this Agreement, or the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, or other equitable remedies, or any combination of the foregoing would be necessary and appropriate. In consideration of its appointment as Trustee under the Indenture and the fees to be paid to the Trustee in accordance with the Indenture, the Trustee has entered into this Agreement and has agreed to perform its obligations hereunder.

Section 3. Recording and Filing; Covenants to Run With the Land.

(a) Prior to or simultaneously with the disbursement of moneys under the Indenture, the Owner shall cause this Agreement and thereafter shall cause any amendments and supplements hereto to be recorded and filed in the official public land records of Fairfax County, Virginia and shall pay all fees and charges incurred in connection therewith.

(b) The Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the Term of this Agreement, that this Agreement and the covenants, restrictions and charges set forth in this Agreement regulating and restricting the use and occupancy of the Land and the Project (i) shall be covenants running with the Land, encumbering the Project, for the Term of this Agreement, binding upon the Owner's successors in title and all subsequent owners and operators of the Project, including any purchaser, grantee, owner or lessee (other than tenants in the ordinary course) of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner or lessee of any portion of the Project and any other person or entity having any right, title or interest therein, for the Term of this Agreement, (ii) are not merely personal covenants of the Owner, and (iii) shall bind the Owner (and the benefits shall inure to the Issuer and the Trustee) and its (their) respective successors and assigns during the Term of this Agreement. The Issuer, the Owner and the Trustee hereby declare their understanding and intent that the burden of the covenants set forth herein touches and concerns the land in that the Owner's legal interest in the Project is rendered

less valuable thereby. The Issuer, the Owner and the Trustee hereby further declare their understanding and intent that the benefit of such covenants touches and concerns the land by enhancing and increasing the enjoyment and use of the Project by Lower-Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued. The Owner, the Trustee and the Issuer hereby agree that any and all requirements of the laws of the State to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to ensure that these restrictions run with the land. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (other than a lease to a tenant in the ordinary course) during the Term of this Agreement shall contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

Section 4. Reliance and General Tax Covenants.

(a) The Issuer, the Trustee and the Owner hereby recognize and agree that the representations and covenants set forth herein will be relied upon by the Issuer, the Trustee, Bond Counsel and all persons interested in the legality and validity of the Bonds and in the excludability from gross income for purposes of federal income taxation of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee and their employees and agents may conclusively rely upon statements and certificates of the Owner and Lower-Income Tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the Issuer and the Trustee may consult with counsel, and the written opinion of such counsel addressed to the Issuer, the Owner and the Trustee shall be full and complete authorization and protection with respect to any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Owner may rely upon certificates of Lower-Income Tenants that are reasonably believed to be genuine and to have been executed by the proper person or persons.

(b) The Issuer and the Owner each independently agrees that it will not take or permit, or omit to take or cause to be taken, as is appropriate, any action within its control that would adversely affect the excludability from gross income of the interest on the Bonds for federal income tax purposes and that, if it should take or permit any such action, it shall take all lawful actions that it can take to rescind such actions promptly upon having knowledge thereof. The Issuer and the Owner each independently agrees that it will take all actions within its control including, without limitation, amendment of the documents and agreements relating to the Bonds and the Project to which it is a party, as may be necessary, in the written opinion of Bond Counsel filed with the Issuer, the Owner and the Trustee, to comply fully with all applicable rules, rulings, regulations, policies, procedures or other official statements promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142(d) of the Code.

(c) The Issuer and the Owner each independently agrees that it will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer, the Owner and the Trustee, in order to ensure that the requirements and restrictions of this Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Agreement (and any amendments hereto) in the real property records of Fairfax County, Virginia.

(d) Certain provisions of this Agreement refer to or incorporate by reference provisions from the Indenture or the Financing Agreement, copies of which shall be obtained by any Owner hereunder by requesting the same from the Issuer or the Trustee.

Section 5. Ownership of the Project. The Owner hereby represents, covenants and agrees that it will own, construct, equip and operate the Project in a manner which complies with the Code and the Tax Requirements.

Section 6. Qualified Residential Rental Project. The Issuer and the Owner hereby declare their understanding and intent that the Project is to be owned, managed and operated as a “qualified residential rental project,” as such phrase is utilized in Section 142(d) of the Code, throughout the Term of this Agreement. To that end, the Owner hereby represents, covenants and agrees as follows throughout the Term of this Agreement:

(a) The Project will be constructed, equipped and operated for the purpose of providing multifamily rental housing, and the Project shall be owned, managed and operated as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, the applicable Treasury Regulations and the other Tax Requirements. At least 95 percent of the net proceeds of the Bonds will be used for Qualified Project Costs.

(b) Except as otherwise permitted by subsection (l) hereof, all of the Units in the Project shall be, and will remain, similarly constructed, and each Unit shall contain complete facilities for living, sleeping, eating, cooking and sanitation for at least a single person.

(c) Except as otherwise permitted by subsection (l), (i) none of the Units in the Project shall at any time be utilized on a transient basis; (ii) none of the Units in the Project shall ever be leased or rented for a period of less than thirty (30) days; and (iii) neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, health club (which shall not be construed to include recreational facilities which are available only to all tenants and their guests), trailer court or park.

(d) (i) All Units in the Project shall be leased and rented or made available for rental on a continuous basis to members of the general public, and (ii) the Owner shall not give preference in renting Units in the Project to any particular class or group of persons, other than Lower-Income Tenants as provided herein; provided, however, an insubstantial number of Units in the Project (which number, if more than 4 Units, shall have been approved by Bond Counsel in writing) may be occupied by maintenance, security or

managerial employees of the Owner or its property manager, which employees must be reasonably necessary for the operation of the Project.

(e) The Owner will not sell, transfer or otherwise dispose of the Project to a cooperative housing corporation unless: (1) the corporation is a limited equity cooperative that is a qualified cooperative housing corporation as defined in Section 143(k) of the Code, and (2) the Owner fully complies with the requirements of Section 9 of this Agreement, including obtaining an opinion of Bond Counsel to the effect that such transfer will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

(f) The Project consists of one or more discrete edifices or other man-made construction, each consisting of an independent foundation, outer walls and roof, all of which are (i) owned by the same "person" (as such term is used in the Code) for federal tax purposes, (ii) located on a common tract of land or two or more tracts of land which are contiguous except for being separated only by a road, street, stream or similar property, and (iii) financed by the Loan or otherwise pursuant to a common plan of financing, and which will consist entirely of:

(i) Units which are similar in quality and type of construction and amenities, and

(ii) facilities Functionally Related and Subordinate in purpose and size to property described above in this paragraph (f), *e.g.*, parking areas, laundries, swimming pools, tennis courts and other recreational facilities (none of which may be unavailable to any person because such person is a Lower-Income Tenant) and other facilities that are reasonably required for the Project, *e.g.*, heating and cooling equipment, trash disposal equipment or Units for residential managers or maintenance personnel.

(g) The Owner may impose additional charges for the use of certain Functionally Related and Subordinate facilities (*e.g.*, recreational facilities) provided all such facilities are available to and affordable by all tenants in the Project on equal terms, no persons who are not tenants or guests of tenants will be permitted to use such facilities and the charges, if any, are reasonable in relation to the use of such facilities.

(h) The Project will not include a Unit in the Condominium Unit unless all Units in such a Condominium Unit are also included in the Project.

(i) The Owner has not and shall not discriminate on the basis of race, creed, religion, color, sex, age or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(j) The Owner will not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, State or local program, but the Owner will not be required to permit more persons to occupy a Unit than may be allowed under local zoning laws, this Agreement or HUD program standards.

(k) The Owner shall submit to the Secretary of the United States Department of the Treasury, with copies to the Issuer and the Trustee, on or before March 31 of each year during the Qualified Project Period the annual certification of compliance in the form, at the time and in the manner required under Section 142(d)(7) of the Code (Internal Revenue Service Form 8703). On or before each February 15 of each year during the Qualified Project Period, the Owner will submit to the Trustee and the Issuer a draft of the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the United States Department of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. The failure of the Owner to submit the required annual compliance certification shall subject the Owner to the penalty provided in Section 6652(j) of the Code.

(l) Notwithstanding anything contained herein to the contrary, any Unit shall not fail to be treated as a unit in a “qualified residential rental project” merely because such unit is a single-room occupancy unit (within the meaning of Section 42(i)(3)(B)(iv) of the Code).

(m) THE OWNER AGREES TO NOTIFY THE TRUSTEE AND THE ISSUER IN WRITING OF ANY EVENT OF DEFAULT BY THE OWNER IN THE PERFORMANCE OR OBSERVANCE OF ANY COVENANT, AGREEMENT, REPRESENTATION, WARRANTY OR OBLIGATION OF THE OWNER KNOWN TO IT SET FORTH IN THIS AGREEMENT, SUCH NOTICE TO BE DELIVERED WITHIN FIVE (5) BUSINESS DAYS OF KNOWLEDGE OF SUCH EVENT OF DEFAULT UNLESS CURED BEFORE TERMINATION OF SUCH NOTICE PERIOD. THE OWNER ALSO SHALL NOTIFY THE TRUSTEE AND THE ISSUER IN WRITING OF ANY EVENT OR CONDITION WHICH WITH THE LAPSE OF TIME OR THE GIVING OF NOTICE, OR BOTH, WOULD CONSTITUTE AN EVENT OF DEFAULT UNDER THIS AGREEMENT, SUCH NOTICE TO BE DELIVERED WITHIN FIVE (5) BUSINESS DAYS OF KNOWLEDGE OF SUCH EVENT OF DEFAULT UNLESS CURED BEFORE TERMINATION OF SUCH NOTICE PERIOD.

Section 7. Lower-Income Tenants. In order to satisfy the requirements of Section 142(d) of the Code, the Owner hereby represents, covenants and agrees that throughout the Term of this Agreement:

(a) Commencing with the Occupancy Date not less than 40% of the Units in the Project at all times throughout the Qualified Project Period shall be rented to and occupied (or held available for rent, if previously rented to and occupied by a Lower-Income Tenant) by Lower-Income Tenants as required by Section 142(d) of the Code. For purposes of satisfying the requirement that not less than 40% of the Units be occupied by Lower-Income Tenants, a Lower-Income Tenant shall continue to qualify as a Lower-Income Tenant if, after admission, the Lower-Income Tenant’s Adjusted Household Income exceeds the applicable qualifying income level set forth in the definition of “Lower-Income Tenant” herein so long as the Adjusted Household Income of such tenant does not exceed one hundred forty percent (140%) of the then current maximum allowable Adjusted Household Income for Lower-Income Tenants of the same family size. If, as of the most recent annual Income Certification, it is determined that the Adjusted Household

Income of a person or family occupying a Qualified Unit exceeds one hundred forty percent (140%) of the then current maximum allowable Adjusted Household Income for Lower-Income Tenants and subsequent to such determination, but before the next determination, any Unit in the Project of which the Unit is a part of comparable or smaller size is rented to persons other than Lower-Income Tenants, then such person or family occupying such Qualified Unit shall no longer qualify as a Lower-Income Tenant. If necessary, the Owner shall refrain from renting dwelling Units in the Project of which the Unit is a part to persons other than Lower-Income Tenants in order to avoid violating the requirement that at all times during the Qualified Project Period not less than 40% of the completed dwelling Units in the Project shall be occupied by Lower-Income Tenants.

(b) If a Unit is vacated by an individual or family who qualified as Lower-Income Tenants, such Unit may continue to be treated as rented to and occupied by Lower-Income Tenants until reoccupied, other than for a temporary period of not more than thirty one (31) days, at which time the character of the Unit shall be re-determined provided that the next available Unit of comparable or smaller size is rented to and occupied by a Lower-Income Tenant.

(c) The Owner shall obtain and maintain on file with respect to each Lower-Income Tenant residing in the Project: (i) a sworn Income Certification from each tenant dated immediately prior to the initial occupancy of such tenant in the Project (and, if the Income Certification was executed by such tenant more than thirty (30) days prior to such tenant's initial occupancy in the Project, the Owner shall require such tenant to recertify the accuracy of the information therein and to provide any updated information necessary in order for the Income Certification to be true and correct as of the date of initial occupancy), in the form and containing such information as may be required by Section 142(d) of the Code (initially substantially in the form attached hereto as **Exhibit B**, as the same may be amended from time to time by the Issuer on the written advice of Bond Counsel), or in such other form and manner as may be required or permitted by the Tax Requirements, and (ii) an annual Income Certification for each tenant for each year of such tenant's occupancy; provided, however, that subsection (ii) shall not apply with respect to the Project for any year if during such year no Unit in the Project is occupied by a new tenant who is not a Lower-Income Tenant. Photocopies of each such initial and annual Income Certification obtained by the Owner during the Term of the Agreement shall be submitted to the Issuer (1) within fifteen (15) days following the end of each such calendar month, which submission shall be together with the Compliance Certificate required under subsection (e) below, and (2) when otherwise requested by the Issuer, which may be as often as may be necessary, in the written opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. The Owner shall make a good-faith effort to determine that the income information provided by an applicant in an Income Certification is accurate.

(d) The Owner shall maintain complete and accurate records pertaining to the Units occupied or to be occupied by Lower-Income Tenants, and shall permit any duly authorized representative of the Trustee, the Issuer, the United States Department of the Treasury, or the Internal Revenue Service to inspect the books and records of the Owner

pertaining to the incomes, the Income Certifications and income substantiation materials of Lower-Income Tenants of the Project upon reasonable notice and at reasonable times.

(e) The Owner shall immediately notify the Issuer and the Trustee if at any time less than 40% of the Units in the Project are not occupied or available for occupancy as provided in subparagraph (a) of this Section 7. The Owner shall prepare and submit to the Issuer and the Trustee not later than the fifteenth (15th) day of each month during the Term of this Agreement, the Compliance Certificate attached as **Exhibit C** executed by the Owner or its management agent stating, among other things, the number of Units of the Project which, as of the first day of such month, in each case, were occupied by Lower-Income Tenants, were deemed to be occupied by Lower-Income Tenants as provided in subparagraph (a) or (b) above, and stating that all Units in the Project are occupied by or held available for rental and that not less than 40% of the Units in the Project are occupied by or held available for rental to Lower-Income Tenants.

(f) The Owner shall prepare and submit to the Issuer and the Trustee within thirty (30) days after each anniversary of the Occupancy Date a certificate executed by the Owner stating: (i) the lowest percentage of the dwelling Units in the Project that were occupied, or held available for occupancy, by Lower-Income Tenants during such period, and (ii) that to its knowledge either (A) no unremedied Event of Default has occurred under either the Financing Agreement or this Agreement, or (B) an Event of Default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Owner to remedy such Event of Default, and (iii) that, to the knowledge of the Owner, no Determination of Taxability has occurred, or if a Determination of Taxability has occurred, summarizing all material facts relating thereto.

(g) Commencing on the date hereof, the form of lease to be used by the Owner in renting any Units in the Project to any Lower-Income Tenants shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Lower-Income Tenant, as applicable, as a result of any material misrepresentation (whether intentional or not) made by such person with respect to his or her income and income verification. Each such lease or rental agreement shall also provide that the tenant's income is subject to annual certification in accordance with Section 7 hereof, and that if the tenant refuses to provide the necessary information for annual certification within 30 days of a written request by the Owner for such information, the tenant will be subject to immediate eviction for failure to provide such information. If upon any such certification such tenant's and all occupants of the household's Adjusted Income exceeds one hundred forty percent (140%) of the applicable income limit for a Lower-Income Tenant of the same family size, such tenant may cease to qualify as a Lower-Income Tenant, but shall not be subject to eviction solely because such tenant ceased to qualify as a Lower-Income Tenant.

(h) The Owner shall determine Lower-Income Tenant income in accordance with HUD regulations and in accordance with regulations, rulings or procedures issued or adopted by the United States Department of the Treasury or the Internal Revenue Service with respect to projects financed pursuant to Section 142(d) of the Code and applicable to the Project.

(i) The Issuer hereby elects in accordance with Section 142(d)(1) of the Code to apply to the Project the occupancy requirements for Lower-Income Tenants set forth in paragraph (a) above of this Section 7, and the Owner hereby irrevocably consents to this election.

(j) All Income Certifications will be maintained on file at the Project as long as this Regulatory Agreement is in effect and for three (3) years thereafter with respect to each Lower-Income Tenant who occupied a Unit in the Project during the Qualified Project Period.

Section 8. Indemnification.

(a) The Owner hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, the Trustee and their respective officers, directors, commissioners, officials and employees in accordance with the provisions of Section 6.1 of the Financing Agreement, which provisions are hereby incorporated by reference and shall be a part hereof as if fully set forth herein.

(b) In addition to the indemnification provided in subsection (a) of this Section 8, the Owner hereby agrees to pay, indemnify and hold the Issuer and the Trustee (or their successors) harmless from any and all reasonable costs, expenses and fees, including all reasonable attorneys' fees, costs and expenses which may be incurred by the Issuer or the Trustee (or their successors) in enforcing or attempting to enforce this Agreement following an Event of Default on the part of the Owner hereunder, whether the same shall be enforced by suit or otherwise or incurred by any such party as a result of such, together with all reasonable costs, fees and expenses which may be incurred in connection with any amendment to this Agreement (or to the Financing Agreement, the Indenture or any other document) or otherwise by the Issuer at the request of the Owner (including the reasonable fees and expenses of Bond Counsel in connection with any opinion to be rendered hereunder). The Owner shall further indemnify the Issuer and the Trustee (or their successors) in connection with any actions to be taken by Bond Counsel, counsel to the Trustee or counsel to the Issuer in connection with any audit, suit, proceeding or inquiry by owners of the Bonds or the Internal Revenue Service regarding the operation of the Project in accordance with this Agreement or the tax-exempt status of the Bonds.

Section 9. Sale, Conveyance or Transfer of Project.

(a) So long as no Event of Default shall have occurred and be continuing hereunder, the Project may be conveyed or otherwise transferred and the transferring Owner shall be released from its obligations under this Agreement from and after the date of such transfer, but only following written notice to the Trustee and the Issuer, and with the prior written consent of the Issuer, provided the following conditions have been satisfied: (i) the new Owner shall unconditionally assume in writing in recordable form all obligations of the Owner under this Agreement from and after the date of such transfer, including, without limitation, an express unconditional covenant to fully comply with all provisions of this Agreement concerning the operation of the Project and the leasing of Units to Lower-Income Tenants, which unconditional assumption shall be in form and substance reasonably satisfactory to Bond Counsel, and which unconditional assumption shall be recorded in the official land records of Fairfax County, Virginia;

(ii) an opinion of counsel of the transferee shall be provided that the transferee has duly assumed the obligations of the Owner under this Agreement and that such obligations and this Agreement are valid and binding on the transferee and enforceable against the transferee in accordance with their terms; and (iii) an opinion of Bond Counsel shall be provided to the effect that such transfer will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

(b) The restrictions contained in subsection (a) of this Section 9 shall not be applicable to any of the following exceptions: (i) any sale, transfer, assignment, encumbrance or addition of any partnership or membership interest in the Owner or any Affiliate (provided that, in such event at least one of the general partners or members of the Owner prior to such event shall remain an Affiliate or a general partner or member of the Owner after such event and the percentage of ownership interest in the Owner shall not change by more than fifty percent (50%)), (ii) grants of utility related easements and service or concession, related leases or easements, including, without limitation, laundry service leases and/or television cable easements, over portions of the Project, provided the same are granted in the ordinary course of business in connection with the operation of the Project as contemplated by this Agreement, (iii) leases of Units to Lower-Income Tenants or other tenants, (iv) any sale or conveyance to a condemning governmental authority as a direct result of a condemnation or a governmental taking or a threat thereof, or (v) any change in allocations of preferred return capital, depreciation or losses or any final adjustments in capital accounts of any partnership or limited liability company Owner (all of which may be freely transferred or adjusted by Owner pursuant to Owner's partnership agreement or operating agreement, as applicable).

(c) Notwithstanding anything to the contrary contained herein, the following transactions are hereby deemed to be expressly permitted hereunder:

(i) the transfer by the Investor Member (as such term is defined in the Amended and Restated Operating Agreement of the Owner (the "Operating Agreement")) of membership interests in the Owner to any other entity which is an affiliate of the Investor Member pursuant to the Operating Agreement;

(ii) the pledge and encumbrance of the interests of the Investor Member to or for the benefit of any financial institution which enables the Investor Member to make its capital contributions to the Owner;

(iii) the transfer by the Investor Member and/or the Special Member of their interests in the Owner in accordance with the terms of the Operating Agreement;

(iv) the removal of the Managing Member of the Owner in accordance with the Operating Agreement and the replacement thereof with the Investor Member, the Special Member or any of their Affiliates;

(v) the transfer of interests in the Investor Member and/or Special Member;

(vi) upon the expiration of the tax credit period, the transfer of the interests of the Investor Member and/or the Special Member to the Managing Member or its Affiliates; and

(vii) any amendment to the Operating Agreement to memorialize the transfers or removal referenced above.

(d) It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project by the Owner in violation of this Section 9 shall be null, void and without effect, and shall be ineffective to relieve either the transferor Owner or the transferee entity of its obligations under this Agreement.

(e) The Owner shall include by incorporation the requirements and restrictions contained in this Agreement in any deed, assignment or other documents transferring any interest in the Project to another person (other than transfers described in (b) above) to the end that such transferee has notice of and is bound by such restrictions, and shall obtain the express agreement from any transferee so to abide, as required in subsection (a) hereinabove. If the transferor Owner and its transferee fully comply with all requirements of this Section 9 (including, without limitation, the written and recorded assumption by the transferee of all obligations of the Owner under this Agreement from and after the date of transfer), then upon the transfer and conveyance of the Project such transferor shall be relieved from its obligations under this Agreement from and after the date of transfer, and all references to the "Owner" shall be deemed to refer to such transferee.

Section 10. Uniformity; Common Plan. The provisions hereof shall apply uniformly to the entire Project to establish and carry out a common plan for the use, development and improvement of the Land.

Section 11. Term of This Agreement.

(a) This Agreement shall become effective upon its execution and delivery and recordation in the real property records of Fairfax County, Virginia, and shall remain in full force and effect until the expiration of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof may survive the repayment in full of the Bonds if such repayment occurs prior to the expiration of the Qualified Project Period. Upon the termination of this Agreement as aforesaid, upon request of any party hereto, the Issuer, the Trustee, the Owner and any successor party hereto shall execute a recordable document further evidencing and confirming such termination.

(b) Notwithstanding the foregoing provisions of subsection (a) hereof, the restrictions contained herein (including Sections 6 and 7 hereof) regarding the use and operation of the Project shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, condemnation or similar governmental taking by eminent domain, change in a federal law or an action of a federal agency after the date the Bonds are issued which prevents compliance with the covenants expressed herein, BUT ONLY IF, either (i) all Bonds have been or within a reasonable period thereafter are redeemed and paid in full and all obligations under the Financing Agreement are paid in full, or (ii) within a reasonable period amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulation Section 1.103-8(b); and there is an opinion of Bond Counsel that such use of the amounts received does not adversely affect the excludability from gross income of interest on

the Bonds for federal income tax purposes. In either event, upon the written request of the Owner and at the expense of the Owner, the parties hereto shall execute an appropriate document in recordable form to evidence and confirm such automatic termination; provided, however, the restrictions of this Agreement shall nevertheless apply to the Project if, at any time during that part of the Qualified Project Period subsequent to a foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Owner or a related person (as that term is defined in Treasury Regulation 1.103-10(e)) obtains an ownership interest in the Project for tax purposes; and the restrictions contained in Section 7 of this Agreement shall nevertheless apply to the Project if at any time during the term applicable to Section 7 of this Agreement, the Owner, or any entity that includes the Owner or those with whom the Owner has or had family or business ties, obtains an ownership interest in the Project.

(c) Notwithstanding any other provisions of this Agreement, except for such provisions as determined by the Issuer to be necessary or appropriate to continue in full force and effect the provisions of Section 7 hereof, this entire Agreement or any of the provisions or sections hereof, other than Section 7 hereof and such other provisions as determined by Issuer, may be terminated upon agreement in writing by the Issuer, the Trustee and the Owner, if there shall have been received an opinion of Bond Counsel that such termination will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes. After the date on which no Bonds remain outstanding, as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under the Agreement and all references to the Trustee in this Agreement shall be deemed references to the Issuer.

Section 12. No Conflict With Other Documents. The Owner warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

Section 13. Events of Default and Enforcement.

(a) If the Owner defaults in the performance or observance of any covenant, agreement or obligation under this Agreement, and if such default remains uncured for a period of sixty (60) days after notice specifying such default and the actions required to correct the same shall have been given by the Trustee or the Issuer to the Owner (or for an extended cure period approved in writing by Bond Counsel if such default stated in such notice can be corrected, but not within such 60-day period), then such uncured breach or default shall constitute an “Event of Default” hereunder.

(b) Upon the occurrence of an Event of Default hereunder, the Issuer may take whatever other action at law or in equity or otherwise, whether for specific performance of any covenant in this Agreement or such other remedy as may be deemed most effectual by the Issuer to enforce the obligations of the Owner under this Agreement, and including the appointment of a receiver to operate the Project in compliance with this Agreement, or the institution and prosecution of any action or proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation.

(c) In addition to any and all other available remedies, the Owner hereby consents and agrees that any one or more of the following remedies shall be available upon the occurrence of an Event of Default hereunder:

(i) The Owner hereby acknowledges and agrees that specific performance of the covenants and requirements of this Agreement shall be necessary to achieve the intent hereof, and that no appropriate remedy at law would be available upon an Event of Default hereunder, or if available, any such remedy would be inadequate to implement the public purposes of the Act and to maintain the excludability from gross income of interest on the Bonds for federal tax purposes, and that the Trustee, the Issuer and the holders of the Bonds would be irreparably injured by the Owner's failure specifically to perform the covenants and requirements hereof; therefore, notwithstanding anything to the contrary stated in this Agreement, the Trustee and the Issuer each will have the right to seek specific performance of any of the covenants and requirements of this Agreement concerning the acquisition, construction and operation of the Project or an order enjoining any violation of this Agreement.

(ii) The Owner hereby agrees that the appointment of a receiver may be necessary to prevent waste to the Project and to maintain the excludability from gross income of interest on the Bonds for federal tax purposes, following an Event of Default by the Owner under this Agreement. The Issuer or Trustee may require the appointment of such a receiver.

(d) No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Financing Agreement or the Indenture or any related documents, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any failure to perform under this Agreement shall impair any such right or power or shall be construed to be a waiver thereof. The Issuer hereby authorizes and directs the Trustee to enforce any and all of the Issuer's rights and remedies hereunder on behalf of the Issuer in the event the Issuer fails to exercise the same and the Trustee hereby acknowledges its right to enforce such rights and remedies.

(e) The Trustee and the Issuer shall have the right, either jointly or severally, to enforce this Agreement and require curing of an Event of Default by the Owner hereunder in periods shorter than otherwise specified in this Section if Bond Counsel shall, in writing, opine to the parties that it is necessary to effect a cure within a shorter period in order to maintain the excludability from gross income of interest on the Bonds for federal tax purposes.

(f) No Event of Default hereunder shall constitute a default under the Note or Project Note.

(g) The Investor Member and the Special Member shall be entitled to cure any Event of Default hereunder to the same extent, upon the same terms and within the same time frame provided to the Owner hereunder. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Member or the Special Member shall be deemed

to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State, both substantive and remedial without giving effect to contrary choice of laws principles.

Section 15. Assignments, Amendments and Release.

(a) The interest of the Issuer in this Agreement shall be assigned to the Trustee (which shall not preclude the Issuer from exercising any of its rights hereunder) and the rights of the Issuer hereunder shall be enforceable by the Trustee. The Owner shall not assign its interest hereunder, except in writing and in accordance with the provisions of Section 9 hereof.

(b) The Issuer, the Trustee and the Owner may from time to time execute and deliver, one or more amendments or supplements to this Agreement for any of the following purposes:

(i) To correct or amplify the description of the Project or the Land;

(ii) To evidence the succession of another person or entity to the Issuer, the Trustee or the Owner (but as to the Owner, only if permitted under Section 9 hereof) and the assumption by any successor of the covenants of its predecessor;

(iii) To add to the covenants of the Owner for the benefit of the other parties to this Agreement or the owners of the Bonds to the extent required or appropriate in order to maintain the excludability from gross income of interest on the Bonds pursuant to the Code, or otherwise to preserve or perfect any excludability from gross income of interest on the Bonds for federal tax purposes;

(iv) To cure any ambiguities, to correct or supplement any provision of this Agreement which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement, which will not be inconsistent with the provisions of this Agreement, provided that such action will not adversely affect the interests of the owners of the Bonds;

(v) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the excludability from gross income of interest on the Bonds for federal tax purposes, to amend the covenants hereof to the extent consistent with the Act, the Code or the regulations promulgated thereunder, including, without limitation, to provide for less restrictive covenants if so approved by Bond Counsel;

(vi) At the end of the Term of this Agreement, as provided in Section 11 hereof, the Issuer shall execute and deliver to the Owner for recordation an instrument evidencing and confirming the termination, release and expiration of this Agreement, provided that failure to do so shall in no way effect the termination hereof pursuant to Section 11;

(vii) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the excludability from gross income of interest on the Bonds for federal tax purposes, to facilitate any amendment to the Indenture or any

other documents or to aid the Owner in obtaining credit enhancement or a credit rating for the Bonds; or

(viii) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the excludability from gross income of interest on the Bonds for federal tax purposes, to permit Owner, subject to restrictions which satisfy the “40-60 Test” prescribed in section 142(d)(1)(B) of the Code, to lease one or more Qualified Units to individuals or families with Adjusted Household Income not in excess of eighty per cent (80%) of the Median Income for the applicable family size.

Section 16. Notice. Any notice required to be given hereunder shall be given by personal delivery, by registered or certified U.S. mail or by registered expedited delivery service at the addresses specified below or at such other addresses as may be specified in writing by the parties hereto, and any such notice shall be deemed received on the date of delivery if by personal delivery or expedited delivery service, or upon actual receipt if sent by registered U.S. mail.

If to the Issuer: Fairfax County Redevelopment and
Housing Authority
3700 Pender Drive
Fairfax, Virginia 22030
Attention: Thomas Fleetwood
Telephone: (703) 246-5105
Facsimile: (703) 653-7130

With a copy to: Ballard Spahr LLP
1909 K Street, N.W.
12th Floor
Washington, D.C. 20006
Attention: Jeffrey S. Ballard, Esquire
Telephone: (202) 661-7622
Facsimile: (202) 661-2299

If to the Owner: RGC2 Southwest 4 Owner LLC
c/o Lincoln Avenue Communities
401 Wilshire Blvd., 11th Floor
Santa Monica, California 90401
Attention: Hanna Jamar
Email: hanna@lincolnavecap.com

With a copy to: Klein Hornig LLP
1325 G Street NW, Suite 770
Washington, D.C. 20005
Attention: Eric Hoffman
Email: ehoffman@kleinhornig.com

If to the Investor Member: Hudson RGC2 Southwest 4 LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

If to the Special Member: Hudson SLP LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, New York 10111
Attention: Joseph A. Macari
Fax No.: (212) 218-4467

With copies to: Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, California 90071
Attention: Craig A. Emden
Fax No.: (213) 559-0747

If to the Trustee: The Bank of New York Mellon Trust Company,
N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Matthew Maselko
Telephone: (412) 234-7468
Facsimile: (732) 667-9131

Section 17. Monitoring by the Issuer. The Issuer shall have the right and obligation to take any and all reasonable actions necessary to diligently enforce all covenants, undertakings and obligations of the Owner under this Agreement, including, without limitation, exercising the rights and remedies set forth in Section 13 hereof. At all reasonable times and upon reasonable notice, the Issuer and the Trustee shall have full access to inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project, including records pertaining to the low-income housing tax credits and filings with the Virginia Housing Development Authority related thereto, and the Owner agrees to fully cooperate with the Issuer in providing any books and records the Issuer requests. In the event the Bonds (and any future refunding bonds) have been paid in full prior to the end of the Term of this Agreement, the Issuer shall continue to take or to cause a responsible party to take on its behalf all aforesaid monitoring and enforcement actions hereunder. The Owner shall pay to the Issuer the fees as set forth in the definition of Issuer Fees and Expenses under the Indenture in accordance with the Financing Agreement and the Indenture.

Section 18. Limited Obligations of Owner. Except as otherwise provided in the Financing Agreement and in Section 8 hereof, notwithstanding anything to the contrary in this Agreement, the Issuer and the Trustee expressly agree that the personal liability of the Owner shall be strictly and absolutely limited to the income and assets of the Project and any other collateral securing the Loan, no other property or assets of the Owner or any present or future, general or

limited partner or member of the Owner, as applicable, or any partner, member, joint venturer, officer, director, employee, or shareholder of any partner of the Owner shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies of Trustee or the Issuer or for any payment required to be made under this Agreement or for the performance of any of the covenants or warranties contained herein. In the event any suit is brought on this Agreement on behalf of the Issuer and/or Trustee, any judgment obtained in such suit shall constitute a lien on, and will be and can be enforced only against, the income and assets of the Project and any other collateral securing the Loan and not against any other asset of the Owner, and the terms of such judgment shall expressly so provide.

Section 19. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

Section 20. Multiple Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 21. Exhibits. Each of the exhibits attached hereto shall be incorporated herein in their entirety and shall be treated as a part hereof.

Section 22. Freddie Mac Rider. The provisions of the Freddie Mac Rider attached hereto as **Exhibit D** are incorporated by reference as if fully set forth herein. In the event of a conflict between provisions of the Freddie Mac Rider and the provisions of this Agreement, the provisions of the Freddie Mac Rider shall control. The provisions of the Freddie Mac Rider shall not take effect until the Credit Enhancement Agreement has been delivered on the Conversion Date, shall remain effective while the Credit Enhancement Agreement is in place and shall be terminated automatically and without further action required of any party hereto upon the final maturity of the Bonds.

[SIGNATURE PAGES FOLLOW]

RGC2 SOUTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Southwest 4 MM LLC, a Delaware
limited liability company, its managing
member

By: _____
Russell Condas, Vice President

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of the document.

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On _____, 2024 before me, _____, Notary Public, personally appeared Russell Condas who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

[TO BE PROVIDED]

EXHIBIT B

INCOME CERTIFICATION

I/We, the undersigned state that I/we and the persons listed below will be (or, if this is an anniversary certification, currently are) occupants of Unit No. _____ - in Residences at Government Center 2 – SW4 for which application is made (or for which this anniversary certification is given).

1. Name of Members of the Family *	2. Relationship	3. Age	4. Social Security Number	5. Federal Income Tax Return Filed for preceding Taxable Year? (Yes or No) **
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

* Includes family head and spouse (even if temporarily absent) and each additional member of the family.

** If “yes,” a copy of the Federal Income Tax Return is to be attached to this certification. If the Return is not available, W-2 Forms, paycheck stubs or other similar third party income verification of income are acceptable.

6. The Total Anticipated Income of all the above persons (including anticipated income of a family head or spouse of family head who is temporarily absent) during the 12-month period

beginning on the date (earlier of the date of initial occupancy or date of lease execution) set forth above is \$ _____. (See attached for definition of income and worksheet. Total to include amounts set forth in paragraph 7.2 below.)

7. If any of the members of the household has savings, stocks, bonds, equity in real property or other form of capital investment whose total value exceeds \$5,000, provide:

7.1. the total value of all such assets owned by the members of the household less reasonable costs that would be incurred in disposing of such assets: \$ _____, and

7.2. the amount of income expected to be derived from such assets in the 12-month period commencing this date and included in paragraph 6 above: \$ _____.

8. Will all of the persons (other than preschool age children) listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes ___ No ___

8.1 Complete the following only if the answer to Question 8 is “Yes.”

(a) Are all of the occupants students who are married and entitled to file a joint return?

Yes ___ No ___

(b) Is the household comprised entirely of a single parent and child(ren) none of whom are dependents of another individual?

Yes ___ No ___

(c) Is any student receiving assistance under title IV of the Social Security Act (including AFDC/TANF) or a student previously under foster care (that is, under the care and placement responsibility of the State agency responsible for administering a plan under Part B or part E of title IV of the Social Security Act?)

Yes ___ No ___

(d) Is any occupant a student enrolled in a job training program receiving assistance under the Job Training Partnership Act, or under similar Federal, State, or local programs?

Yes ___ No ___

I/We acknowledge that all of the above information is relevant to the status under Federal income tax law of the interest on revenue bonds that have been issued to finance the acquisition, rehabilitation and equipping of the Project. I/We consent to the disclosure of such information to the issuer of such bonds, any trustee (or agency thereof) acting on their behalf and any authorized agent of the United States Treasury Department or Internal Revenue Service. I/We understand that if the information reported in this certificate is discovered to be in any way materially false or misleading, it shall be viewed as a default and may result in termination of the lease and eviction of all occupants of the Unit.

The undersigned hereby declares under penalty of perjury that he/she/they has/have read and answered each of the questions herein fully and truthfully.

Signed:

Applicant/Tenant Date

Applicant/Tenant Date

Attachment to Tenant Income Certification:

I. Anticipated income includes:

Wages, salary, overtime pay (before payroll deductions)	\$ _____
Commissions, Fees	_____
Tips, Bonuses, All Other Personal Compensation	_____
All Net Income from Business or Real or Personal Property or a Profession (only straight line depreciation is allowed).....	_____
Withdrawals of Cash or Assets from Business, Profession or Investment (no deduction for amortization of capital indebtedness is allowed)	_____
Interest, dividends and other net income from real or personal property	_____
Periodic Payments (Social Security, Annuities, Insurance Policies, Retirement Funds, Pensions, Disability or Death Benefits, Etc.)	_____
Payments in Place of Earnings (Unemployment, Workers Compensation and Severance Pay)	_____
Public Assistance	_____
Periodic Allowances (Alimony, Child Support)	_____
Regular Contributions or Gifts	_____
Regular Pay, Special Pay and Allowances for Members of Armed Forces (Except for Hostile Fire)	_____
 Total Anticipated Income for the Household	 \$ _____

II. Anticipated income does not include:

- (a) income from the employment of children (including foster children) under the age of 18;
- (b) foster child or foster adult care payments;
- (c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance, and worker’s compensation), capital gains, and settlement for personal or property losses;
- (d) amounts that are specifically for or in reimbursement of medical expenses for any family member;
- (e) income of a live-in aide, as defined in 24 CFR Part 5.403;
- (f) the full amount of student financial assistance paid directly to the student or the educational institution;
- (g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (h) amounts received under training programs funded by HUD;

- (i) amounts received by a Disabled (as defined below) person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency;
- (j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program;
- (k) amounts received (not to exceed \$200 per month) by a resident from a project owner for performing a service for the owner on a part-time basis (such as lawn maintenance, hall monitoring, or fire patrol);
- (l) incremental earnings and benefits resulting to any family member from participation in qualifying District employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff;
- (m) temporary, sporadic or nonrecurring income (including gifts);
- (n) reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (o) earnings in excess of \$480 for each full-time student 18 years or older, excluding the head of household and spouse;
- (p) adoption assistance payments in excess of \$480 per adopted child;
- (q) deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
- (r) State or local tax refunds or rebates for property taxes paid on the dwelling unit;
- (s) State agency payments to a family with a developmentally disabled family member who is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- (t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937;
- (u) \$480 for each dependent (a member of the family, excluding foster children and foster adults, other than family head or spouse, who is under 18 years of age; a Disabled person as defined in Section 223 of the Social Security Act, or who has developmental disability as defined in Section 102(7) of the Developmental Disability Assistance and Bill of Rights Act, or is determined to have a physical, mental, or emotional impairment that is expected to be of a long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions; or a full time student);

- (v) \$400 for any family whose head or spouse (or sole member) is Elderly (at least 62 years of age), or Disabled;
- (w) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) unreimbursed medical expenses of any Elderly family or Disabled family; and
 - (ii) unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family with a disability, to the extent necessary to enable any family member (including the disabled member) to be employed. This deduction may not exceed the income received by family members who are 18 years of age and older who are able to work because of such attendant care or auxiliary apparatus;
- (x) Any reasonable child care expenses (amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income) necessary to enable a member of the family to be employed or further his or her education;

FOR COMPLETION BY PROJECT OWNER ONLY:

(a) Calculation of Adjusted Income:

- 1. Enter amount entered for entire household in 6 above:\$ _____
- 2. If the amount entered in 7.1 above is greater than \$5,000, enter:
 - (i) the product of the amount entered in 7.1 above as multiplied by the current passbook savings rate as determined by HUD:\$ _____
 - (ii) the amount entered in 7.2 above:\$ _____
 - (iii) line (i) minus line (ii) (if less than \$0, enter \$0)\$ _____
- 3. TOTAL ADJUSTED INCOME (Line (a)1 plus line (a)2(iii)): ..\$ _____

(b) Qualification as Qualifying Tenants:

- 1. Is the amount entered in line (a)3 equal to or less than 60% of Median Income for the Area adjusted for family size?
Yes _____ No _____
- 2. 1. If line (b)(1) is "Yes", and 8.1. above is "No", then the household qualifies as Lower-Income Tenants.
- 2. If line (b)(1) is "Yes", 8 above is "Yes" and any of the (a) through (d) of 8.1. above is "Yes", then the household qualifies as Lower-Income Tenants.

(c) Number of apartment Unit assigned: _____

(d) Monthly rent: _____

(e) (Check One)

- _____ The household does not qualify as Lower-Income Tenants.
- _____ The household qualifies as Lower-Income Tenants.

IN WITNESS WHEREOF, the undersigned has signed this Certificate as of the date written below.

RGC2 SOUTHWEST 4 OWNER LLC

Dated: _____

Project Owner or Representative

EXHIBIT C

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, on behalf of RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the “Owner”), has read and is thoroughly familiar with the financing documents associated with the issuance by the Fairfax County Redevelopment and Housing Authority (the “Issuer”), of its \$[11,310,000] Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A, which documents include, among others, the Land Use Restriction Agreement, dated as of October 1, 2024 (the “Land Use Restriction Agreement”), among the Owner, the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the Financing Agreement dated as of October 1, 2024 (the “Financing Agreement”) between the Issuer, the Trustee and the Owner. All capitalized terms used in this Certificate shall have the meanings ascribed thereto in the Land Use Restriction Agreement.

1. The undersigned, based upon the information available, hereby certifies on behalf of the Owner as of the date of this Certificate as follows:

(a) the maximum Adjusted Household Income (i.e., 60% of Median Income) permitted for the household of a Lower-Income Tenant for each applicable family size is as follows:

\$
\$
\$
\$
\$
\$
\$
\$

(b) on the first day of the month in which this Certificate is dated the following information is correct and complete concerning the status of occupancy of the Project by Lower-Income Tenants:

As of the month of _____, 20__

	<u>Lower-Income Tenants</u>	<u>Non-Lower Income Tenants</u>	<u>Total</u>
No. Units previously occupied*			
No. newly occupied Units**			
No. Units held vacant and available for occupancy			
Subtotals			
Percent of total Units occupied or available for occupancy			

*Number of Units occupied by the specified classification of tenant on the first day of the immediately preceding calendar month, which remain occupied by the same tenants on the 1st day of the month in which this Certificate is dated, and for which all Income Certifications for all occupants were previously furnished to the Issuer and the Trustee with prior Certificates of Continuing Program Compliance. Attached hereto is a list by Unit number and name of occupants of all Units occupied by Lower-Income Tenants as of the first day of the immediately preceding calendar month, and the first day of the month in which this Certificate is dated.

**The undersigned hereby certifies that (i) photocopies of the Income Certification for each tenant of all newly occupied Units and all Income Certifications for all tenants of the Project not previously furnished with prior Certificates of Continuing Program Compliance are attached hereto, (ii) that each such Income Certification was fully completed, was duly executed by the applicable tenant and all other known occupants of the subject Unit, and to the best knowledge of the Owner properly and accurately completed by such tenant, and (iii) that the Owner's files contain any materials required under the Land Use Restriction Agreement, the Financing Agreement and the Income Certification to substantiate the income and financial information set forth on each attached Income Certification.

2. At no time since the date of filing of the last Certification of Continuing Program Compliance have less than 40% of the completed Units in the Project been occupied by or been last occupied by Lower-Income Tenants.

3. The undersigned hereby certifies that, to its knowledge, the Owner is not in default under the above described Land Use Restriction Agreement or Financing Agreement with the exception of the following (if none, please so state):

RGC2 SOUTHWEST 4 OWNER LLC, a
Virginia limited liability company

By: RGC2 Southwest 4 MM LLC, a Delaware
limited liability company, its managing
member

By: _____
Russell Condas, Vice President

Dated: _____

EXHIBIT D

FREDDIE MAC RIDER

This Freddie Mac Rider (the “Rider”) is attached to and forms a part of the Land Use Restriction Agreement (the “Regulatory Agreement”), dated as of October 1, 2024, by and among Fairfax County Redevelopment and Housing Authority (the “Issuer”), The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor in such capacity, the “Trustee”), and RGC2 Southwest 4 Owner LLC, (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the “Borrower”).

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement and the Indenture. In addition, the following terms shall have the following meanings:

“**Bonds**” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A.

“**Bond Mortgage**” means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, to be executed by the Borrower on the Conversion Date to secure the Bond Note with respect to the Project.

“**Bond Loan**” means the loan made by the Issuer to the Borrower pursuant to the Bond Loan Documents, which Bond Loan has been assigned to the Trustee.

“**Bond Loan Documents**” means the Bond Note, the Bond Mortgage, the Indenture, the Financing Agreement, the Credit Enhancement Agreement, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement and any and all other instruments documenting, evidencing, securing or otherwise relating to the Bond Loan.

“**Bond Note**” means the Bond Note, executed by the Borrower in favor of the Issuer, evidencing the Borrower’s financial obligations under the Bond Loan, and endorsed by the Issuer, without recourse, to the order of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

“**Freddie Mac**” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States, and its successors and assigns.

“**Financing Agreement**” means the Financing Agreement dated as of October 1, 2024, by and between the Borrower and the Issuer, as such Financing Agreement may from time to time be amended or supplemented.

“**Indenture**” means the Trust Indenture dated as of October 1, 2024 by and between the Issuer and the Trustee, as such Indenture may from time to time be amended or supplemented.

“**Servicer**” means Capital One, National Association, or any successor Servicer selected by Freddie Mac.

2. Applicability. The provisions of this Rider shall be effective on and after the Conversion Date and shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither Freddie Mac nor any successor in interest to Freddie Mac will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Bond Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to Freddie Mac. Freddie Mac shall indemnify the Issuer following acquisition of the Project by Freddie Mac, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Bond Loan, during, and only during, any ensuing period that Freddie Mac owns and operates the Project, provided that Freddie Mac’s liability shall be strictly limited to acts and omissions of Freddie Mac occurring during the period of ownership and operation of the Project by Freddie Mac. Freddie Mac shall have no indemnification obligations with respect to the Bonds or the Bond Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to Freddie Mac.

4. Sale or Transfer. Restrictions on sale or transfer of the Project or of any interest in the Borrower, Issuer and/or Trustee consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Project to Freddie Mac or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Bond Loan or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Loan. No transfer of the Project shall operate to release the Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Bond Mortgage or any of the other Bond Loan Documents that requires the Borrower to obtain the consent of Freddie Mac as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Bond Mortgage. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to Freddie Mac upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Loan by Freddie Mac, or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Loan.

5. Enforcement. Notwithstanding anything contained in the Regulatory Agreement or the Indenture to the contrary:

- (i) the occurrence of an Event of Default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Bond Loan Documents, except as may be otherwise specified in the Bond Loan Documents;
- (ii) neither the Issuer nor the Trustee may, upon the occurrence of an Event of Default under the Regulatory Agreement, seek, in any manner, to (a) cause or direct acceleration of the Bond Loan, (b) enforce the Bond Note, (c) foreclose on the Bond Mortgage, (d) cause the Trustee to redeem the Bonds or to declare the principal of the Bonds and the interest accrued on the Bonds to be immediately due and payable or (e) cause the Trustee to take any other action under any of the Bond Mortgage Documents or any other documents which action would or could have the effect of achieving any one or more of the actions, events or results described in the preceding clauses (a) through (d); and
- (iii) the occurrence of an Event of Default under this Regulatory Agreement shall not impair, defeat or render invalid the lien of the Bond Mortgage.

No person other than Freddie Mac shall have the right to (a) declare the principal balance of the Bond Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Bond Mortgage. The Issuer and the Trustee acknowledge the foregoing limitations.

The foregoing prohibitions and limitations are not intended to limit the rights of the Issuer or the Trustee to specifically enforce the Regulatory Agreement or to seek injunctive relief in order to provide for the operation of the Project in accordance with the requirements of the Internal Revenue Code and state law. Accordingly, upon any default by the Borrower, the Issuer or the Trustee may seek specific performance of the Regulatory Agreement or enjoin acts which may be in violation of the Regulatory Agreement or unlawful, but neither the Issuer nor the Trustee may seek any form of monetary recovery from the Borrower, although the Issuer may seek to enforce a claim for indemnification, provided that no obligation of the Borrower under the Regulatory Agreement, including, without limitation, any indemnification obligation, any other obligation for the payment of money, any claim and any judgment for monetary damages against the Borrower, occasioned by breach or alleged breach by the Borrower of its obligations under the Regulatory Agreement or otherwise, shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Issuer, the Trustee or any other person, and all such obligations shall be, and by this Rider are, subordinate in priority, in right to payment and in all other respects to the obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Bond Loan Documents. Accordingly, neither the Issuer nor the Trustee shall have the right to enforce any monetary obligation other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

The obligations of any owner under the Regulatory Agreement shall be personal to the person who was the owner at the time that an event, including, without limitation, any default or breach of the Regulatory Agreement, occurred or was alleged to have occurred, and such person shall remain liable for any and all such obligations, including damages occasioned by a default or breach, even after such person ceases to be the owner of the Project. Accordingly, no subsequent owner of the Project shall be liable or obligated for the obligation of any prior owner (including the Borrower), including, but not limited to, any obligation for payment, indemnification or damages, for default or breach of the Regulatory Agreement or otherwise. The owner of the Project at the time the obligation was incurred, including any obligation arising out of a default or breach of the Regulatory Agreement, shall remain liable for any and all payments and damages occasioned by the owner even after such person ceases to be the owner of the Project, and no person seeking such payments or damages shall have recourse against the Project.

Under no circumstances shall the Issuer or the Trustee:

- (i) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Bond Loan;
- (ii) interfere with or attempt to influence the exercise by Freddie Mac of any of its rights under the Bond Loan, including, without limitation, Freddie Mac's remedial rights under the Bond Loan Documents upon the occurrence of an event of default by the Borrower under the Bond Loan; or
- (iii) upon the occurrence of an event of default under the Bond Loan, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Loan.

6. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Borrower, the Servicer and Freddie, inform the Borrower, the Servicer and Freddie Mac that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Bond Loan, to enforce the Bond Note or to foreclose on the Bond Mortgage.

7. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of Freddie Mac.

8. Fees; Penalties. Freddie Mac shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by Freddie Mac, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Bond Loan.

9. Subordination. The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 6 through 7, are and shall at all times remain subject and

subordinate, in all respects, to the liens, rights and interests created under the Bond Loan Documents.

10. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Freddie Mac and are entered into for the benefit of various parties, including Freddie Mac. Freddie Mac shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Issuer and/or the Trustee, or to cause the Issuer or the Trustee to enforce, the terms of the Regulatory Agreement. In addition, the Freddie Mac is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

11. Notices. Copies of all notices under the Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

Capital One, National Association
[ADDRESS]
Attention: []
Email: []
Telephone: []

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: guy_nelson@freddiemac.com
Telephone: (703) 903-2000

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2024

BOOK-ENTRY ONLY

(See below and "RATING" herein.)

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax, under existing laws as of the date of initial delivery of the Bonds and assuming continuing compliance with the requirements of the federal tax laws, except that interest on a Bond is not excludable while the Bond is held by a substantial user of the financed facilities or a related person. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that interest on the Bonds is exempt from income taxation by the Commonwealth of Virginia. See "TAX MATTERS" herein.

\$11,310,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A

\$3,190,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B

Dated Date: Date of Delivery; Initial Offering Price: 100%
Series 2024A Bond Rate: ___%; CUSIP: _____
Conversion Date: no earlier than May 1, 2027*
Bond Maturity Date: November 1, 2044*
Rating: Moody's "[Aaa]"

Dated Date: October __, 2024; Initial Offering Price: 100%
Initial Series 2024B Bond Rate: ___%; CUSIP: _____
Redemption in connection with Conversion Date
no earlier than May 1, 2027*
Initial Mandatory Tender Date: November 1, 2027*
Bond Maturity Date: November 1, 2028*
Rating: Moody's "[Aaa/VMIG 1]"

The Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024A (the "Series A Bonds") and the Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds") are being issued under and pursuant to a Trust Indenture, dated as of October 1, 2024 (the "Indenture"), between the Fairfax County Redevelopment and Housing Authority (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., a national banking association (the "Trustee").

The Bonds will be delivered in fully registered form only and are registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Ownership interests with respect to the Bonds may be purchased only in book-entry form in denominations of (i) with respect to the Series A Bonds, \$5,000 or any integral multiple thereof within a maturity and (ii) with respect to the Series B Bonds, \$5,000 or any integral multiple of \$1,000 in excess thereof. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Bondholders shall mean Cede & Co. and shall not mean the ultimate purchasers of the Bonds. See "THE BONDS – Book-Entry Only System."

The Bonds will be issued to provide funding to RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the "Borrower"), to enable the Borrower to finance the acquisition of a leasehold interest in, and the construction, equipping and operation of 69 residential rental apartment units located in Fairfax, Virginia, and known as Residences at Government Center 2 – SW4 (the "Project"). Pursuant to the Indenture and a Financing Agreement dated as of October 1, 2024 (the "Financing Agreement"), by and among the Issuer, the Borrower and the Trustee, the Issuer has agreed to use the proceeds derived from the sale of the Bonds to make a loan in the aggregate principal amount of \$14,500,000* (the "Bond Loan") to the Borrower in connection with the Project. The Borrower's repayment obligations in respect to the Bond Loan will be evidenced by a multifamily note dated October __, 2024 (the "Bond Note") delivered to the Issuer and endorsed by the Issuer to the Trustee.

The Borrower has obtained a construction loan in the amount of up to \$20,070,912* (the "Construction Loan") from Capital One, National Association (the "Construction Lender") and will cause Eligible Funds (as defined herein), including proceeds of the Construction Loan, of up to \$14,500,000* to be deposited into the Collateral Fund established under the Indenture to allow the Trustee to release proceeds of the Bonds to pay Costs of the Project (as defined herein) pursuant to the terms of the Indenture and the Financing Agreement. At all times prior to Conversion (as defined herein), the Bonds will be secured by Eligible Investments or other Eligible Funds sufficient along with the earnings thereon (without the need for reinvestment) to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of the Initial Mandatory Tender Date or any preceding Mandatory Tender Date or Redemption Date as described herein. See "SECURITY FOR THE BONDS" herein. Upon the satisfaction of the Conditions of Conversion and the occurrence of the Conversion Date, the Federal Home Loan Mortgage Corporation ("Freddie Mac" or "Credit Facility Provider") will deliver a Credit Enhancement Agreement (the "Credit Enhancement Agreement" or the "Credit Facility") to the Trustee, dated as of the Conversion Date (as defined herein), between the Trustee and Freddie Mac, pursuant and subject to the terms and conditions of the Forward Commitment (as defined herein) with respect to the Series A Bonds outstanding Conversion. Following Conversion, payments of principal and interest on the Series A Bonds will be secured by the Credit Enhancement Agreement. The Credit Enhancement Agreement will terminate on __, 20__* (or earlier as provided therein). See "APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT" herein. Freddie Mac's obligations to make advances to the Trustee upon the proper presentation of documents, which conform to the terms and conditions of the Credit Enhancement Agreement, are irrevocable. If the Conditions to Conversion are not satisfied by the Forward Commitment Maturity Date, Freddie Mac will have no obligation to deliver the Credit Enhancement Agreement.

The Bonds will be subject to redemption prior to their stated maturity dates at the prices, on the terms and upon the occurrence of the events described herein. The maturity of the Bonds may be accelerated upon the occurrence of certain events as further described herein. See "THE BONDS" and "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Acceleration; Other Remedies Upon Event of Default."

The Series B Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date. All Bondholders of the Series B Bonds must tender their Series B Bonds for purchase on the Initial Mandatory Tender Date. The Series B Bonds may be remarketed and a new interest rate for the Series B Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Series B Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Series B Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Series B Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

The Bonds shall bear interest at the applicable rate set forth above and as described herein. Interest on the Bonds will be payable semiannually on each May 1 and November 1, commencing May 1, 2025* (the "Interest Payment Date"). So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal of, premium, if any, and interest on, the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Trustee. Disbursements of such payments to DTC's Participants are the responsibility of DTC.

FOLLOWING CONVERSION, FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE SERIES A BONDS WILL BE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. FREDDIE MAC IS NOT PROVIDING ANY CREDIT ENHANCEMENT IN CONNECTION WITH THE SERIES B BONDS AND HAS NO HAS NO OBLIGATIONS WITH RESPECT TO THE SERIES B BONDS.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF FAIRFAX COUNTY, VIRGINIA (THE "COUNTY"), THE COMMONWEALTH OF VIRGINIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT

* Preliminary; subject to change.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Bonds may not be sold, nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

FCRHA Meeting - Action Item 2

CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

This cover page of this Official Statement contains certain information for quick reference only. It is not a complete summary of the Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The delivery of the Bonds is subject to the approval of certain legal matters by Ballard Spahr LLP, Washington, D.C., Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Credit Facility Provider by its legal department and by its special counsel, Katten Muchin Rosenman LLP, Washington, D.C., for the Borrower by its counsel, Klein Hornig LLP, Washington, D.C., and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in New York, New York on or about October __, 2024.

The logo for STIFEL, featuring the word "STIFEL" in a blue, serif, all-caps font.

Date: October __, 2024

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No broker, dealer, salesperson or other Person has been authorized by the Issuer to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any Person in any jurisdiction in which it is unlawful for such Person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Issuer and other sources believed to be reliable. This information is not guaranteed as to accuracy and is not to be construed as a representation of such by the Issuer. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date hereof.

The information set forth herein relating to the Project and the Borrower has been obtained from the Borrower, and all other information herein has been obtained by other sources believed to be reliable, but is not to be construed as a representation by the Issuer. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Borrower or the Issuer since the date hereof.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of any of the Bonds. All statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof, inside front cover, and the appendices attached hereto are part of this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Freddie Mac has not provided or approved any information in this Official Statement except with respect to the descriptions under the caption "FREDDIE MAC" and takes no responsibility for any information contained in this Official Statement. Freddie Mac makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role will be limited to entering into the Credit Facility with respect to the Series A Bonds described herein, but shall have no obligation to enter into the Credit Facility if the Conditions to Conversion are not satisfied prior to the Forward Commitment Maturity Date.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or listed on any stock or other securities exchange and neither the Bond Resolution (as defined herein) nor the Indenture (as defined herein) will have been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The exemption from registration or qualification of the Bonds in accordance with applicable provisions of the securities laws of various states likewise cannot be regarded as a recommendation of the Bonds. Neither these states nor any of their agencies have passed upon the merits of the Bonds or the accuracy or the completeness of this Official

Statement. Any representation to the contrary may be a criminal offense. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD LOOKING STATEMENTS". IN THIS RESPECT, THE WORDS "ESTIMATE", "PROJECT", "ANTICIPATE", "EXPECT", "INTEND", "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE ISSUER, FREDDIE MAC AND THE BORROWER COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD LOOKING STATEMENTS.

References in this Official Statement to statutes, laws, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is distributed in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information in this Official Statement concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry only system has been obtained from DTC and the Issuer takes no responsibility for the accuracy or completeness thereof. Such information has not been independently verified by the Issuer and the Issuer makes no representation as to the accuracy or completeness of such information.

CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

THIS OFFICIAL STATEMENT DESCRIBES THE BONDS, AND IS INTENDED SOLELY FOR USE WITH RESPECT TO THE BONDS.

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OFFICIAL STATEMENT

\$11,310,000*
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A

\$3,190,000*
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B

INTRODUCTION

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, which includes the cover page and Appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and Appendices hereto, must be considered in its entirety. Certain capitalized terms used in this Official Statement are defined herein and in the Appendices hereto. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed to them in the Indenture and the Financing Agreement (as such terms are defined herein).

General

This Official Statement (which includes the cover page and appendices hereto) provides certain information in connection with the issuance and sale of the \$11,310,000* Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024A (the "Series A Bonds") and the \$3,190,000* Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds") issued by the Fairfax County Redevelopment and Housing Authority (the "Issuer").

The Bonds are being issued pursuant to the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the "Act"), under a Trust Indenture to be dated as of October 1, 2024 (the "Indenture") by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and a resolution of the Issuer authorizing and approving the issuance and sale of the Bonds and execution and delivery of all related documents required to be executed and delivered by the Issuer (the "Bond Resolution"). The Issuer is using the proceeds of the Bonds to make a loan (the "Bond Loan") to RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the "Borrower"), to provide for the financing for the acquisition of a leasehold interest in and the construction and equipping of a 69-unit affordable rental housing project to be known as Residences at Government Center 2 – SW4 (the "Project"), located at 12020 Government Center Parkway in Fairfax, Virginia. See "PRIVATE PARTICIPANTS" herein. The Borrower's repayment obligations in respect to the Bond Loan will be evidenced by a Multifamily Note dated October __, 2024 (the "Bond Note") delivered to the Issuer and endorsed by the Issuer to the Trustee.

On the Delivery Date, the Issuer will assign the Financing Agreement (except for the Issuer's Unassigned Rights) to the Trustee for the benefit of the registered owners of the Bonds. In addition to the other security provided under the Indenture, the Bonds will be secured, prior to Conversion, by Eligible Funds and Eligible Investments thereof held by the Trustee, and on and following Conversion, Outstanding Series A Bonds will be secured by the Guaranteed Payments under a direct-pay Credit Enhancement

* Preliminary; subject to change.

Agreement to be dated as of the Conversion Date (the “Credit Enhancement Agreement” or the “Credit Facility”), between the Federal Home Loan Mortgage Corporation (“Freddie Mac” or “Credit Facility Provider”) and the Trustee. The Credit Enhancement Agreement will not secure the Series B Bonds and Freddie Mac’s commitment to deliver the Credit Enhancement Agreement is conditioned on the redemption of the Series B Bonds on or prior to the Conversion Date, as well as the other Conditions to Conversion. A form of the Credit Enhancement Agreement is attached hereto as Appendix G. The obligation of the Borrower to reimburse Freddie Mac for funds provided by Freddie Mac pursuant to the Credit Enhancement Agreement is established by the terms and conditions of a Reimbursement and Security Agreement dated the Conversion Date (the “Reimbursement Agreement”) between the Borrower and Freddie Mac. See “SECURITY FOR THE BONDS — The Credit Enhancement Agreement,” “APPENDIX F — SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT” and “APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT.”

The Borrower has obtained a construction loan in the amount of up to \$20,070,912* (the “Construction Loan”) from Capital One, National Association (the “Construction Lender”), and will cause Eligible Funds (as defined herein), including proceeds of the Construction Loan, of up to \$14,500,000* to be deposited into the Collateral Fund established under the Indenture to allow the Trustee to release proceeds of the Bonds to pay Costs of the Project (as defined herein) pursuant to the terms of the Indenture and the Financing Agreement. At all times prior to Conversion (as defined herein), the Bonds will be secured by Eligible Investments or other Eligible Funds sufficient along with the earnings thereon (without the need for reinvestment) to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of the Initial Mandatory Tender Date or any preceding Mandatory Tender Date or Redemption Date as described herein. See “SECURITY FOR THE BONDS” herein. Capital One, National Association has also received a commitment, dated as of October __, 2024 (the “Forward Commitment”) between the Federal Home Loan Mortgage Corporation (“Freddie Mac” or “Credit Facility Provider”) and Capital One, National Association (the “Servicer”) whereas, upon the satisfaction of the Conditions to Conversion and the occurrence of the Conversion Date, the Credit Facility Provider, will deliver the Credit Enhancement Agreement with respect to the Series A Bonds outstanding following the Conversion Date. The Credit Enhancement Agreement will not secure the Series B Bonds and Freddie Mac’s commitment to deliver the Credit Enhancement Agreement is conditioned on the redemption of the Series B Bonds on or prior to the Conversion Date, as well as the other Conditions to Conversion. Following Conversion, payments of principal and interest on the Series A Bonds will be secured by the Credit Enhancement Agreement. The Credit Enhancement Agreement will terminate on _____, 20__* (or earlier as provided therein). See “APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT” herein. Freddie Mac’s obligations to make advances to the Trustee upon the proper presentation of documents, which conform to the terms and conditions of the Credit Enhancement Agreement, are irrevocable. [Based on current underwriting assumptions the Forward Commitment amount is \$ _____, which may be increased in an amount up to 10% of the Series A Bonds if certain conditions are satisfied upon Conversion.] [Lender and Freddie Counsel to confirm.] If the Conditions to Conversion are not satisfied by the Forward Commitment Maturity Date, Freddie Mac will have no obligation to deliver the Credit Enhancement Agreement.

The Bonds will be subject to redemption prior to their stated maturity dates at the prices, on the terms and upon the occurrence of the events described herein. The maturity of the Bonds may be accelerated upon the occurrence of certain events as further described herein. See “THE BONDS” and “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Acceleration; Other Remedies Upon Event of Default.”

The Series B Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date. All Bondholders of the Series B Bonds must tender their Series B Bonds for purchase on the Initial Mandatory

Tender Date. The Series B Bonds may be remarketed and a new interest rate for the Series B Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Series B Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Series B Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Series B Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

The Bonds shall bear interest at the applicable rate set forth above and as described herein. Interest on the Bonds will be payable semiannually on each May 1 and November 1, or the next succeeding Business Day if such 1st day is not a Business Day, commencing May 1, 2025* (the "Interest Payment Date"). So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal of, premium, if any, and interest on, the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Trustee. Disbursements of such payments to DTC's Participants are the responsibility of DTC.

At Conversion, to secure the Borrower's obligations under the Bond Note, the Borrower will execute and deliver to the Issuer a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date (the "Bond Mortgage") with respect to the Project, which Bond Mortgage will be assigned by the Issuer to the Trustee.

Under the Credit Enhancement Agreement, subject to certain terms and conditions set forth therein, on any Interest Payment Date, or any date Bonds are called for optional or mandatory redemption, and on the maturity date of the Bond Note, Freddie Mac is required to pay the Guaranteed Payment (as defined in the Credit Enhancement Agreement). See "THE BONDS," "APPENDIX A — DEFINITIONS OF CERTAIN TERMS" and "APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT."

Following Conversion, so long as Freddie Mac is not in default in its payment obligations under the Credit Enhancement Agreement, Freddie Mac shall control and shall have the right to exercise the Bond Mortgage Rights (as defined in the Intercreditor Agreement).

Pursuant to an Intercreditor Agreement to be dated as of the Conversion Date (the "Intercreditor Agreement"), among the Issuer, the Trustee and Freddie Mac with respect to the Bonds, neither the Trustee nor the Bondholders will have the right to exercise remedies under the Bond Mortgage while the Credit Enhancement Agreement secures the Bonds and Freddie Mac continues to honor its obligations thereunder. The Borrower will also execute a [Reimbursement Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing] dated the Conversion Date (the "Reimbursement Mortgage") for the benefit of Freddie Mac to secure the Borrower's obligations under the Reimbursement Agreement.

In order to assure compliance with the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there has been executed and delivered a Land Use Restriction Agreement, dated as of the date of the Indenture (the "Regulatory Agreement"), by and among the Issuer, the Trustee and the Borrower. The Regulatory Agreement requires that the residential rental units in the Project be occupied or held for occupancy by tenants with incomes below the levels described in "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT" hereto at restricted rents. The Project will be further restricted as described under the heading "PRIVATE PARTICIPANTS" herein.

The Servicer (as defined herein) will act as servicer for the Bond Loan and payments on the Bond Loan will be made by the Borrower to the Servicer for the benefit of the Trustee. See "THE SERVICER" herein.

FOLLOWING CONVERSION, FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS WILL BE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT FACILITY, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

The Bonds, and the premium, if any, and interest thereon, are limited obligations of the Issuer, the principal of, premium, if any, and interest on which are secured by and payable solely from the Trust Estate.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF FAIRFAX COUNTY, VIRGINIA (THE "COUNTY"), THE COMMONWEALTH OF VIRGINIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Brief descriptions of the Issuer, the Bonds, the security for the Bonds, the Borrower, the Project, the Indenture and the Financing Agreement are included in this Official Statement. All references herein to the Indenture, the Financing Agreement, the Assignment, the Credit Facility, the Regulatory Agreement, the Reimbursement Agreement, the Bond Mortgage and other documents and agreements are qualified in their entirety by reference to such documents and agreements, copies of which are available for inspection at the offices of the Trustee.

THE ISSUER

The following information has been provided by the Issuer for use herein. While the information is believed to be reliable, none of the Trustee, the Borrower, the Underwriter, Freddie Mac nor any of their respective counsel, members, officers or employees makes any representations as to the accuracy or

sufficiency of such information.

The Issuer is a political subdivision of the Commonwealth of Virginia created pursuant to the Housing Authorities Law, Chapter 1, Title 36, of the Code of Virginia of 1950, as amended (the “Enabling Act”). The Issuer is a “public housing agency” as such term is defined in Section 3(6) of the U.S. Housing Act.

The Issuer was created pursuant to the Enabling Act by resolution of the Board of Supervisors and approved in a referendum of voters in Fairfax County on November 2, 1965. On February 23, 1966, the Board of Supervisors declared the Issuer activated, and it has been in operation since that date without interruption. The Issuer is empowered, among other things, to acquire, construct, improve, maintain, equip, own, lease, and dispose of various types of facilities, including facilities for use by the County, and to finance the same by the issuance of its revenue bonds or notes. The Bonds will be limited obligations of the Issuer. See “SECURITY FOR THE BONDS” herein. The Issuer has no taxing power.

The Issuer’s powers are vested in the 11 Commissioners. The officers of the Issuer are a Chair and a Vice-Chair, chosen from the Commissioners, and a Secretary who is also the Executive Director. The County Executive of the County serves as Secretary and Executive Director for the Issuer. In addition, the Issuer appoints such other officers, agents and employees as it may require.

The Commissioners of the Issuer are as follows[†]:

Member Name	Title	Expiration of Term
Lenore Stanton	Chair	4/30/2028
Elisabeth Lardner	Vice Chair	4/30/2025
Nicholas A. McCoy	Commissioner	4/30/2028
Staci Jones Alexander	Commissioner	4/30/2026
Steven Bloom	Commissioner	4/30/2027
Susan Vachal	Commissioner	4/30/2025
Michael Cushing	Commissioner	4/30/2028
Paul Zurawski	Commissioner	4/30/2025
Michel McRoberts	Commissioner	4/30/2025
Joseph Mondoro	Commissioner	4/30/2028

The Issuer’s offices are located at 3700 Pender Drive, Suite 300, Fairfax, VA 22030-7442, and its telephone number is (703) 246-5105.

The Issuer owns and/or operates 109 properties, which are comprised of over 3,880 apartments, townhouses, senior retirement homes, and assisted living facilities. The Issuer owns other specialized housing such as manufactured housing pads and beds in group homes. The Issuer also administers Section 8 funds for 4,400 Housing Choice Vouchers and 1,060 RAD-PBV units. In addition, the Issuer has issued tax-exempt bonds to finance a number of low and moderate income rental properties in Fairfax County, Virginia that are owned by unrelated private entities.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE STATE OR ANY

[†] Currently, there is one vacancy.

POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

No agreement or obligation contained in the Indenture shall be deemed to be an agreement or obligation of any director, officer, employee, commissioner, servant or agent of the Issuer in his or her individual capacity, and neither the directors of the Issuer nor any officer thereof executing any Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, commissioner, servant or agent of the Issuer shall incur any personal liability with respect to any other action taken by him or her pursuant to the Indenture.

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THIS SECTION AND “ABSENCE OF LITIGATION (WITH RESPECT TO THE ISSUER)”, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE BONDS

General

The Bonds shall be dated the date of their delivery and shall bear interest and mature on the dates set forth on the inside cover page of this Official Statement. The Bonds are issuable as fully registered bonds initially in the minimum denomination of (i) with respect to the Series A Bonds, \$5,000 or any integral multiple thereof within a maturity and (ii) with respect to the Series B Bonds, \$5,000 or any integral multiple of \$1,000 in excess thereof, and are available in book-entry only form. See “Book-Entry Only System” below. Interest on the Bonds will be payable on May 1 and November 1, commencing on May 1, 2025*, at the interest rates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year consisting of 12 30-day months. The Initial Series B Interest Rate is subject to change upon any subsequent mandatory tender and remarketing thereof. See “THE BONDS — Mandatory Tender of Series B Bonds” below.

Principal of and premium, if any, and interest on the Bonds will be payable by check mailed to the person whose name appears on the Bond Register on the Record Date, provided that, upon written request of a registered owner of at least \$1,000,000 aggregate principal amount of Bonds received by the Trustee at least five (5) Business Days prior to a Record Date, payment will be made to such owner by electronic transfer pursuant to the provisions of the Indenture.

Any Bond may be transferred only upon an assignment duly executed by the registered owner or his or her duly authorized representative in such form as will be satisfactory to the Bond Registrar and upon surrender of such Bond to the Trustee for cancellation. Any Bond may be exchanged at the Principal Office of the Trustee for a new fully registered Bond or Bonds, of the same maturity, of any authorized denomination or denominations, for the aggregate amount of such Bond then Outstanding. In all cases in which Bonds will be transferred or exchanged, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

* Preliminary; subject to change.

Neither the Issuer nor the Trustee will be required to make any such exchange, registration or transfer of Bonds during the period of 15 days immediately preceding an Interest Payment Date, or, in the case of any proposed redemption of Bonds, during the period of 15 days immediately preceding the selection of Bonds for such redemption and after the giving of notice of redemption, the Trustee is not required to transfer or exchange any Bond or portion thereof which has been called for redemption.

Book-Entry Only System

The information in this section concerning The Depository Trust Company (“DTC”) and DTC’s Book-Entry System has been obtained from DTC and has not been independently verified by the Issuer, the Trustee, the Borrower, the Underwriter or any of their respective counsel, members, officers or employees. No representation whatsoever as to the accuracy, adequacy or completeness of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof, is made by the Issuer, the Trustee, the Borrower, the Underwriter or any of their respective counsel, members, officers or employees.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds in the aggregate principal amount of such issue, and will be deposited with, or held by the Trustee as custodian for, DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners.

Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest and redemption or purchase price payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on payment dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption or purchase price payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The requirement for physical delivery of Bonds in connection with a mandatory tender for purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but neither the Issuer nor the Borrower takes any responsibility for the accuracy thereof.

Redemption of Bonds Prior to Maturity

Optional Redemption of Series A Bonds

The Series A Bonds are not subject to optional redemption prior to _____ 1, 2034*. On and after _____ 1, 2034*, the Series A Bonds are subject to optional redemption from payments made under the Credit Facility (subject to the limitations set forth in subsection (ii) of this section) or with other Eligible Funds deposited with the Trustee,

(i) With the prior written consent of the Credit Facility Provider, in whole or in part, upon optional prepayments on the Bond Loan in accordance with the prepayment restrictions set forth in the Financing Agreement on any Business Day, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest, if any, to the redemption date.

(ii) Optional redemption of Series A Bonds at a premium may only be made if the Trustee has received Eligible Funds not consisting of funds drawn under the Credit Facility on or prior to the redemption date in an amount sufficient to pay the applicable redemption premium.

(iii) The Trustee shall effect a redemption of Series A Bonds pursuant to this section at the earliest practicable date for which notice may be given under the Indenture but in no event later than 35 days following its receipt of money representing an optional prepayment of the Bond Loan.

Mandatory Redemption of Series A Bonds

The Series A Bonds are subject to mandatory redemption on any Business Day, in whole or in part as indicated below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, at the earliest practicable date upon the occurrence of any of the following:

(i) after the Conversion Date, in whole or in part, upon receipt by the Trustee of (1) proceeds of a draw under the Credit Facility, in the amount of Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Loan, such amount to be applied to reimburse the Credit Facility Provider for the draw under the Credit Facility as a result of casualty or condemnation of the Project and (2) a written direction by the Credit Facility Provider to redeem such Series A Bonds using money obtained as a result of such draw upon the Credit Facility; or

* Preliminary; subject to change.

(ii) after the Conversion Date in whole or in part, upon receipt by the Trustee of amounts from the Credit Facility Provider pursuant to the Credit Facility as a result of the occurrence of an event of default (after expiration of any notice and cure periods) under any Bond Loan Document and receipt by the Trustee of a written direction by the Credit Facility Provider to redeem the Series A Bonds pursuant to the Credit Facility; or

(iii) in part, through mandatory sinking fund redemption, as provided in “Mandatory Sinking Fund Redemption” below; or

(iv) five (5) calendar days after the Conversion Date Deadline, in whole, if the Conversion Date has not occurred on or prior to the Conversion Date Deadline, as such date may be extended pursuant to the Indenture, payable with respect to principal first, from money on deposit in the Series A Collateral Account and second, from money on deposit in the Series A Bond Proceeds Account and accrued but unpaid interest to the redemption date, first, from money on deposit in the Series A General Account and second, from money in the Series A Negative Arbitrage Account, and other Eligible Funds available or made available for such purpose at the written direction of the Borrower; or

(v) on the Conversion Date, in part, in an amount equal to the positive difference, if any, between (i) the aggregate principal amount of the Series A Bonds Outstanding as of the first day of the month in which the Conversion Date occurred and (ii) the Actual Bond Loan Amount, payable with respect to principal first, from money on deposit in the Series A Bond Proceeds Account and second, from money on deposit in the Series A Collateral Account, and with respect to accrued but unpaid interest to the redemption date, first, from money on deposit in the Series A General Account and second, from money on deposit in the Series A Negative Arbitrage Account, and any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

Mandatory Sinking Fund Redemption of Series A Bonds

The Series A Bonds are subject to mandatory sinking fund redemption on the dates and in the amounts set forth in the table below; provided that if less than all the Series A Bonds shall have been redeemed pursuant to the Indenture, the amount of Bonds to be redeemed in each year from sinking fund installments as provided in the Indenture shall be decreased by an amount, in proportion, as nearly as practicable, to the decrease in the payments on the Bond Loan in such year as determined by the Trustee (in consultation with the Servicer):

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>

Optional Redemption of Series B Bonds

The Series B Bonds are not subject to optional redemption prior to May 1, 2027*. On or after May 1, 2027*, the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption date with respect to any subsequent Remarketing Period and, thereafter, the Series B Bonds are subject to optional redemption in whole but not in part by the Issuer at the written direction of the Borrower (with delivery of a Cash Flow Projection and written notice to the Trustee at least 30 days prior to the proposed redemption date) on any Business Day during such Remarketing Period at a redemption price of 100% of the principal amount of such Series B Bonds to be redeemed plus accrued interest to the applicable redemption date.

Mandatory Redemption for Failure to Remarket Series B Bonds

The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Series B Bonds; (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein; or (iii) the proceeds of a remarketing on deposit in the Series B Remarketing Proceeds Account at 11:00 a.m., New York time, on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Series B Bonds on such Mandatory Tender Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from [, in order,] (i) amounts on deposit in the Series B Collateral Account, (ii) amounts on deposit in the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Account, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

Mandatory Redemption of Series B Bonds on Conversion Date

The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on the Conversion Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Series B Collateral Account, (ii) amounts on deposit in the Series B General Account and the Series B Negative Arbitrage Account in the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Account, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

Selection of Series A Bonds for Redemption

On and after the Conversion Date, the Trustee shall select Series A Bonds subject to mandatory sinking fund redemption pursuant to the Indenture by lot within the appropriate maturity. If less than all the Series A Bonds then Outstanding shall be called for redemption other than as a result of mandatory

* Preliminary; subject to change.

sinking fund redemption pursuant to the Indenture, the Trustee shall redeem an amount of Series A Bonds so that the resulting decrease in debt service on the Series A Bonds in each semiannual period ending on an Interest Payment Date is proportional, as nearly as practicable, to the decrease in the payments on the Bond Note in each such semiannual period, as determined by the Trustee in consultation with the Servicer, and the Bonds shall be selected by lot within each maturity, the cost of such selection being at the Borrower's expense.

Any Bonds shall be redeemed pursuant to the Indenture only in Authorized Denominations.

Notice of Redemption

Notice of the intended redemption of each Bond shall be given by the Trustee by first class mail, postage prepaid, or by Electronic Notice, to the registered Owner at the address of such Owner shown on the Bond Register. All such redemption notices shall be given not less than twenty (20) days (not less than fifteen (15) days in the case of a mandatory redemption of the Bonds on the Conversion Date and not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. On and after the Conversion Date, the Trustee may provide a conditional notice of redemption of Series A Bonds upon the direction of the Credit Facility Provider or the Borrower (with the prior written consent of the Credit Facility Provider).

Notices of redemption shall state the redemption date and the redemption price, the place or places where amounts due upon such redemption will be payable, and, if less than all of the then Outstanding Bonds are called for redemption, shall state (i) the numbers of the Bonds to be redeemed by giving the individual certificate number of each Bond to be redeemed or shall state that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption only if bonds cease to be book entry bonds; (ii) the CUSIP numbers of all Bonds being redeemed if available; (iii) the amount of each Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Bond as originally issued; (v) the rate of interest borne by each Bond redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the possibility of a purchase of Bonds in lieu of redemption, if applicable; (viii) the conditions, if any, which must be satisfied in order for the redemption to take place on the scheduled date of redemption, including, as provided in the Indenture, that Eligible Funds are available to pay any redemption premium or the redemption price, as and if applicable, on the Bonds; and (ix) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each notice of redemption shall state that further interest on such Bonds will not accrue from and after the redemption date and that payment of the principal amount and premium, if any, will be made upon presentation and surrender of the Bonds at the Principal Office of the Trustee unless the Bonds are then held in a book entry only system of registration.

Notice of such redemption shall also be sent by first class mail, overnight delivery service, Electronic Notice or other secure means, postage prepaid, to the Credit Facility Provider, to the Servicer, to the Rating Agency, to all of the Securities Depositories and to the Information Service that disseminates securities redemption notices, when possible, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

In addition to providing notice of redemption as set forth above, if the Bonds are no longer held in book-entry form, the Trustee shall send a second notice of redemption within sixty (60) days following the redemption date, by first class mail, overnight delivery service, or other secure means, postage prepaid to

the registered Owners of any Bonds called for redemption, at their addresses appearing on the Bond Register as of the Record Date immediately preceding the redemption date, who have not surrendered their Bonds for redemption within thirty (30) days following the redemption date.

Failure to give notice by mailing to the registered Owner of any Bond designated for redemption or to any depository or Information Service shall not affect the validity of the proceedings for the redemption of any other Bond if notice of such redemption shall have been mailed as herein provided.

Effect of Notice of Redemption

If a conditional notice of redemption has been provided pursuant to the terms of the Indenture and the conditions are not satisfied, such notice of redemption shall be of no force and effect and the Bondholders shall be restored to their former positions as though no such notice of redemption had been delivered. Notice of redemption having been given in the manner provided in the Indenture and if either there were no conditions to such redemption or the conditions have been satisfied, and money for the redemption being held by the Trustee or Paying Agent for that purpose, thereupon the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue on such date; and such Bonds shall thereafter no longer be entitled to any security or benefit under the Indenture except to receive payment of the redemption price thereof.

Purchase of Series A Bonds in Whole in Lieu of Redemption following the Conversion Date

Notwithstanding anything in the Indenture to the contrary, on and after the Conversion Date, at any time the Series A Bonds are subject to redemption in whole pursuant to the provisions of the Indenture, all (but not less than all) of the Series A Bonds to be redeemed may be purchased by the Trustee (for the account of the Borrower or the Credit Facility Provider or their respective designee, as directed by such party) on the date which would be the redemption date at the direction of the Credit Facility Provider or the Borrower, with the prior written consent of the Credit Facility Provider (which direction shall specify that such purchase is pursuant to the Indenture and shall be given no later than 5:00 p.m., Washington, D.C. time on the Business Day immediately prior to such redemption date), at a purchase price equal to the redemption price which would have been applicable to such Series A Bonds on the redemption date. The Series A Bonds shall be purchased in lieu of redemption only from amounts provided by the Credit Facility Provider or from other Eligible Funds. In the event the Trustee is so directed to purchase Series A Bonds in lieu of redemption, no notice to the holders of the Series A Bonds to be so purchased (other than the notice of redemption otherwise required hereunder) shall be required, and the Trustee shall be authorized to apply to such purpose the funds in the Redemption Fund which would have been used to pay the redemption price for such Series A Bonds if such Series A Bonds had been redeemed rather than purchased. Such Series A Bonds so purchased for the account of the Borrower shall for all purposes under the Indenture constitute Purchased Bonds held by the Custodian pursuant to the Pledge Agreement. Following the Conversion Date, the Credit Facility Provider shall have the right to direct the transfer of Purchased Bonds (without reinstatement of the Credit Facility which will result in such Series A Bonds being unrated) to the Credit Facility Provider or any subsidiary of the Credit Facility Provider, or to a single Bondholder which has provided the Trustee with a purchaser's letter in the form attached as an exhibit to the Indenture (and otherwise subject to the provisions of the Indenture), provided that any transfer to the Credit Facility Provider, any subsidiary of the Credit Facility Provider or a single Bondholder as described above, shall require delivery of an opinion of Bond Counsel to the Trustee to the effect that such transfer will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series A Bonds. Such Purchased Bonds, if not transferred as provided herein, shall be deemed redeemed and cancelled automatically by the Trustee on the date which is not later than two (2) years from the date of purchase, unless an opinion of Bond Counsel is delivered to the Trustee to the effect that not redeeming and canceling such Purchased Bonds will not adversely affect the excludability from gross income for

federal income tax purposes of interest on the Series A Bonds. Any purchase of Series A Bonds hereunder is not intended as an extinguishment of the debt represented by the Series A Bonds.

Mandatory Tender of Series B Bonds

Purchase of Series B Bonds on Mandatory Tender Dates. All Outstanding Series B Bonds shall be subject to mandatory tender by the Bondholders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Series B Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

Holding of Tendered Series B Bonds. While tendered Series B Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering Bondholders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Series B Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Series B Bonds had not been tendered for purchase.

Purchase of Tendered Series B Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Series B Bonds on deposit in the Series B Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Series B Bonds tendered for purchase not later than 11:30 a.m., New York time, on the Mandatory Tender Date.

Cancellation of Remarketing. In the event the Series B Bonds must be redeemed as a result of the occurrence of any of the events listed under the heading “Redemption of Bonds Prior to Maturity — Mandatory Redemption for Failure to Remarket Series B Bonds” above, the remarketing shall be cancelled and all Series B Bonds outstanding on the Mandatory Tender Date shall be redeemed as described under the heading “Redemption of Bonds Prior to Maturity — Mandatory Redemption for Failure to Remarket Series B Bonds” above.

Undelivered Series B Bonds. Series B Bonds shall be deemed to have been tendered for purposes of the Indenture whether or not the Bondholders shall have delivered such undelivered Series B Bonds to the Trustee, and subject to the right of the holders of such undelivered Series B Bonds to receive the purchase price of such undelivered Series B Bonds on the Mandatory Tender Date, such undelivered Series B Bonds shall be null and void. If such undelivered Series B Bonds are to be remarketed, the Trustee shall authenticate and deliver new Series B Bonds in replacement thereof pursuant to the remarketing of such undelivered Series B Bonds.

Notice of Mandatory Tender for Series B Bonds

Notice to Holders. No later than the 30th day prior to a Mandatory Tender Date, the Trustee shall give written notice of a mandatory tender on the Mandatory Tender Date to the holders of the Series B Bonds Outstanding (with a copy to the Borrower, the Issuer, the Investor Member, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

- (i) the Mandatory Tender Date and that (A) if certain conditions are met, all Outstanding Series B Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Series B Bonds must be tendered for purchase no later than 9:00 a.m., New York time, on the Mandatory Tender Date and (C) Bondholders will not have the right to elect to retain their Series B Bonds;

(ii) the address of the designated corporate trust office of the Trustee at which Bondholders should deliver their Series B Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Series B Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Series B Bonds plus interest accrued to the Mandatory Tender Date;

(iv) that if, in the event that the conditions to remarketing set forth in the Indenture are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the Series B Bonds on the Mandatory Tender Date, all of the Series B Bonds will be redeemed, without further notice, on the Mandatory Tender Date; and

(v) that any Series B Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

Second Notice. In the event that any Series B Bond required to be delivered to the Trustee for payment of the purchase price of such Series B Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Series B Bond to the Trustee and stating that delivery of the Series B Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Series B Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Series B Bond.

Failure to Give Notice. Neither failure to give or receive any notice described in the Indenture, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in the Indenture.

Extension of the Conversion Date Deadline

At any time prior to the Conversion Date Deadline, the Borrower may extend the Conversion Date Deadline in connection and commensurate with an extension of the Forward Commitment Maturity Date by (i) providing to the Trustee, the Construction Lender, the Servicer, the Issuer, the Rating Agency and the Underwriter written notice of any extension of the Conversion Date Deadline, including written confirmation from the Servicer that the Forward Commitment Maturity Date is extended in accordance with the provisions of the Forward Commitment, (ii) depositing with the Trustee Eligible Funds for the credit of the Series A Negative Arbitrage Account any Extension Deposit set forth in a Cash Flow Projection, (iii) delivering to the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit, (iv) delivering to the Trustee confirmation by the Rating Agency of the then-current rating on the Series A Bonds, and (v) if the Series B Bonds remain Outstanding, all the conditions to the remarketing of the Series B Bonds for a Remarketing Period extending through such extended Forward Commitment Maturity Date have been satisfied. Extension Deposits may continue to be made by or on behalf of the Borrower until the Conversion Date occurs or the Borrower declines to make an Extension Deposit resulting in a mandatory redemption of the Series A Bonds pursuant to the Indenture provided, however, the Conversion Date Deadline may not be extended to a date that is later than six months beyond the original Forward Commitment Maturity Date unless, prior to any extension beyond such date, there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Series A Bonds from gross income for Federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower.

SECURITY FOR THE BONDS

General

Under the Indenture, the Issuer grants to the Trustee a security interest in the following property described below to secure the Bonds (said property being herein referred to as the “Trust Estate”). The Trust Estate is granted to the Trustee in order to secure the payment of principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and, following Conversion, the payment to Freddie Mac of the Freddie Mac Reimbursement Amount and the Freddie Mac Credit Enhancement Fee or the payment of amounts due and owing to any other Credit Facility Provider following termination of the Credit Enhancement Agreement, and the performance and observance by the Issuer of all the covenants expressed or implied in the Indenture and in the Bonds:

(a) all right, title and interest of the Issuer in and to all Revenues (other than the Unassigned Rights of the Issuer);

(b) all right, title and interest of the Issuer in and to the Financing Agreement, the Bond Note and, following the Conversion Date, the Bond Mortgage and the Credit Facility, including all extensions and renewals of the terms thereof, if any (other than the Unassigned Rights of the Issuer), including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards subject to the interest of the Credit Facility Provider under the Reimbursement Agreement and the Intercreditor Agreement), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer or any other Person is or may become entitled to do under said documents; and

(c) except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund, the Credit Facility Reimbursement Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time thereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds (other than the Unassigned Rights of the Issuer) by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Limited Obligations

The Bonds are limited obligations of the Issuer, payable solely from the Trust Estate including, following Conversion, from moneys available to be drawn by the Trustee under the Credit Facility. Neither the Commissioners nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be a debt of the County, the State or any political subdivision thereof (other than the Issuer) and neither the County, nor the state or any political subdivision thereof (other than the Issuer) shall be liable thereon, nor in any event shall such Bonds be payable out of any funds or properties other than those of the Issuer pledged therefor pursuant to the Indenture. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Issuer has no taxing power.

Credit Enhancement Agreement

Pursuant and subject to the terms and conditions of the Forward Commitment and the Construction Phase Financing Agreement (and subject to the satisfaction on or before the Forward Commitment Maturity Date of the Conditions to Conversion set forth in the Construction Phase Financing Agreement), Freddie Mac agrees to deliver to the Trustee the Credit Enhancement Agreement upon the satisfaction of the Conditions of Conversion and the occurrence of the Conversion Date pursuant to which, subject to certain requirements set forth therein, Freddie Mac is required to pay Guaranteed Payments with respect to the Series A Bonds when and in the amounts due, and the Purchase Price of the Series A Bonds in the event of a purchase in lieu of redemption in accordance with the terms of the Indenture and Credit Enhancement Agreement. The Construction Phase Financing Agreement requires, as a Condition to Conversion, that the Series B Bonds be redeemed at or prior to the Conversion Date. Freddie Mac is not providing any credit enhancement in connection with the Series B Bonds and has no obligations with respect to the Series B Bonds. See “APPENDIX G — FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT”.

Information regarding the Reimbursement Agreement is contained in “APPENDIX F — SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT” and further information regarding Freddie Mac is contained herein under the caption “FREDDIE MAC.”

FREDDIE MAC

The information presented under this caption “FREDDIE MAC” has been supplied by Freddie Mac. None of the Issuer, the Trustee, the Owner or the Underwriter has independently verified such information, and none assumes responsibility for the accuracy of such information. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.

General

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act (the “Freddie Mac Act”). Freddie Mac’s mission is to provide liquidity, stability and affordability to the U.S. housing market. Freddie Mac does this primarily by purchasing single-family and multifamily residential mortgages originated by lenders. In most instances, Freddie Mac packages these mortgages into guaranteed mortgage-related securities, which are sold in the global capital markets, and transfers interest rate and liquidity risk to third-party investors. In addition, Freddie Mac transfers a portion of its mortgage credit risk exposure to third-party investors through its credit risk transfer programs, which include securities- and insurance-based offerings. Freddie Mac also invests in mortgages and mortgage-related securities. Freddie Mac does not originate mortgage loans or lend money directly to mortgage borrowers.

Although Freddie Mac is chartered by Congress, Freddie Mac alone is responsible for making payments on its securities and obligations. Freddie Mac’s payment obligations under the Credit Enhancement Agreement are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.

Conservatorship

Freddie Mac operates under the conservatorship that commenced on September 6, 2008, conducting its business under the direction of the Federal Housing Finance Agency (“FHFA”), Freddie Mac’s conservator (the “Conservator”). The Conservator has authorized Freddie Mac’s Board of Directors (the “Board”) to oversee management’s conduct of Freddie Mac’s business operations so Freddie Mac can

operate in the ordinary course. The Conservator also retains certain significant authorities for itself and has not provided them to the Board. The Conservator continues to provide strategic direction for Freddie Mac and directs the efforts of the Board and management to implement its strategy.

Freddie Mac's future structure and role in the mortgage industry will be determined by the executive branch of the U.S. government, Congress, and FHFA. It is possible, and perhaps likely, that there will be significant changes that will materially affect Freddie Mac's business model and results of operations. Some or all of Freddie Mac's functions could be transferred to other institutions, and Freddie Mac could cease to exist as a stockholder-owned company.

The conservatorship is indefinite in duration. The likelihood, timing, and circumstances under which Freddie Mac might emerge from conservatorship are uncertain. Even if the conservatorship is terminated, Freddie Mac would remain subject to the senior preferred stock purchase agreement (as amended, the "Purchase Agreement") with the U.S. Department of the Treasury ("Treasury"), and the terms of the senior preferred stock unless they are terminated or amended. Even if the conservatorship ends and the voting rights of common stockholders are restored, Freddie Mac could effectively remain under the control of the U.S. government because of the Purchase Agreement, Treasury's warrant to acquire nearly 80% of Freddie Mac's common stock for nominal consideration, or Treasury's ownership of Freddie Mac's common stock after it exercises its warrant.

See the Incorporated Documents (as defined under Additional Information) for additional information concerning the conservatorship and legislative and regulatory developments as well as the legal and compliance risks Freddie Mac faces.

Purchase Agreement

On September 7, 2008, Treasury entered into the Purchase Agreement with Freddie Mac's Conservator, acting on Freddie Mac's behalf. The amount of available funding remaining under the Purchase Agreement was \$140.2 billion as of December 31, 2023. This amount will be reduced by any future draws. The Purchase Agreement requires Treasury, upon the request of the Conservator, to provide funds to Freddie Mac after any quarter in which Freddie Mac has a negative net worth (that is, Freddie Mac's total liabilities exceed its total assets, as reflected on its consolidated balance sheets prepared in accordance with generally accepted accounting principles). The Purchase Agreement also provides for Treasury, upon the request of the Conservator, to provide funds to Freddie Mac if the Conservator determines, at any time, that it will be mandated by law to appoint a receiver for Freddie Mac unless Freddie Mac receives these funds from Treasury. Holders have certain limited rights to bring proceedings against Treasury if Freddie Mac fails to pay under its guarantee and if Treasury fails to perform its obligations under its funding commitment. The Purchase Agreement contains covenants that significantly restrict Freddie Mac's business and capital activities. On January 14, 2021, Freddie Mac, acting through FHFA as its Conservator, and Treasury entered into a letter agreement to further amend the Purchase Agreement and terms of the senior preferred stock. Among other things, under the January 2021 amendments to the Purchase Agreement, Freddie Mac is required to cap multifamily loan purchases at \$80 billion in any 52-week period, subject to annual adjustment by FHFA based on changes in the Consumer Price Index. At least 50% of Freddie Mac's multifamily loan purchases in any calendar year must be, at the time of acquisition, classified as mission-driven pursuant to FHFA guidelines. The Purchase Agreement with Treasury is critical to keeping Freddie Mac solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. See the Incorporated Documents for additional information concerning the Purchase Agreement and the terms of the senior preferred stock.

Additional Information

Freddie Mac's common stock is registered with the U.S. Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 ("Exchange Act"). As a result, Freddie Mac files reports and other information with the SEC.

As described below, Freddie Mac incorporates certain documents by reference in this Official Statement, which means that Freddie Mac is disclosing information to you by referring you to those documents rather than by providing you with separate copies. Freddie Mac incorporates by reference in this Official Statement:

- Its most recent Annual Report on Form 10-K, filed with the SEC.
- All other reports Freddie Mac has filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K report, excluding any information Freddie Mac "furnishes" to the SEC on Form 8-K.
- All documents that Freddie Mac files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering of the related Bonds, excluding any information Freddie Mac "furnishes" to the SEC on Form 8-K.

These documents are collectively referred to as the "Incorporated Documents" and are considered part of this Official Statement. You should read this Official Statement in conjunction with the Incorporated Documents. Information that Freddie Mac incorporates by reference will automatically update information in this Official Statement. Therefore, you should rely only on the most current information provided or incorporated by reference in this Official Statement.

You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

Freddie Mac also makes the Incorporated Documents available on its website at this address:

Website*: www.freddiemac.com

Freddie Mac makes no representations as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Credit Enhancement Agreement.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS

* Freddie Mac is providing this and other internet addresses solely for the information of investors. Freddie Mac does not intend these internet addresses to be active links and Freddie Mac is not using references to these addresses to incorporate additional information into this Official Statement, except as specifically stated in this Official Statement.

NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

PLAN OF FINANCING

The estimated sources and uses for the Project are projected to be approximately as follows:

Sources of Funds*	
Series A Bonds	\$11,310,000
Series B Bonds	3,190,000
Tax Credit Equity	9,484,330
Housing Blueprint Subordinate Loan	6,500,000
Deferred Developer Fee	1,345,012
Short-Term Bond Reinvestment Proceeds	1,500,750
Solar Investment Tax Credit Proceeds	48,126
Total	<u>\$33,378,218</u>
Uses of Funds*	
Construction Hard Costs	\$19,320,673
Project Soft Costs	1,065,476
Tax Credit Fees	141,642
Costs of Issuance	1,195,097
Financing Costs	4,984,476
Closing Costs	63,275
Escrows and Reserves	915,579
Developer Fee	2,502,000
Repayment of Series B Bond Principal	3,190,000
Total	<u>\$33,378,218</u>

All costs of issuing the Bonds, including the Underwriter’s fee, will be paid by the Borrower.

The Construction Loan. The Project will utilize the Construction Loan in an amount of up to \$20,070,912*, which will be secured by a senior mortgage on the Project and the obligation to repay the Construction Loan will be evidenced by a promissory note (the “Construction Loan Note”) from the Borrower to the Construction Lender. The Construction Note will have a term of 36 months, with an option for one six-month extension, and will bear interest at a variable rate adjusted monthly to the sum of the One Month Term Secured Overnight Financing Rate, in no event less than 0.50%, plus 2.10% per annum, with no payments of principal during the term, and with all unpaid principal and interest due at maturity. A portion of the Construction Loan proceeds, of up to \$14,500,000*, will be disbursed from time to time by the Construction Lender to the Trustee for deposit into the Collateral Fund to allow for a corresponding amount of Bond proceeds to be disbursed to the Project.

The Low Income Housing Tax Credit Proceeds. Prior to the issuance of the Bonds, the Borrower expects to admit the Investor Member with a 99.98% ownership interest in the Borrower and to admit the

* Preliminary; subject to change.

Special Member with a 0.01% ownership interest. Pursuant to the sale, the funding of the Federal Low Income Housing Tax Credit equity will total approximately \$9,484,330*, with approximately \$1,903,398* expected to be funded when the Bonds are issued. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The Housing Blueprint Subordinate Loan. The Project will also utilize a subordinate loan in the principal amount of \$6,500,000* (the “Subordinate Loan”). The obligation to repay the Subordinate Loan will be set forth in a promissory note (the “Subordinate Note”) from the Borrower to Fairfax County Redevelopment and Housing Authority (the “Subordinate Lender”) and will be repayable on the terms and conditions set forth therein. The Subordinate Note will be secured by a subordinate mortgage against the Project subordinate to the Construction Loan. The Subordinate Note will have a term of 30 years after substantial completion of the Project and will bear interest at a rate of 2% per annum, with annual principal and interest being cash-flow dependent and, if not otherwise paid, due at maturity.

Deferred Developer Fee. The Project will utilize deferred developer fee in the anticipated amount of \$1,345,012* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

The Solar Investment Tax Credit Proceeds. Prior to the issuance of the Bonds, the Borrower expects to admit the Investor Member with a 99.98% ownership interest, and to admit the Special Member with a 0.01% ownership interest in the Borrower. Pursuant to the sale, the funding of the Solar Investment Tax Credit equity will total approximately \$48,126*, expected to be funded at Conversion. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Project Regulation

In order to obtain low-income housing tax credits, the Project will be operated as a qualified residential rental project and will qualify for the minimum 40-60 set-aside test with 100% of the residential units in the Project occupied by Lower-Income Tenants (as defined in the Land Use Restriction Agreement) during the Affordability Period (as defined in the Land Use Restriction Agreement), in accordance with Section 142(d) of the Code. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement (defined below), the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the low-income housing tax credits (the “LIHTCs”) anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the “Tax Credit Units”). Within the Project, (i) eight of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 40% of the AMI adjusted for family size, (ii) 53 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size, and (iii) eight of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 70% of the AMI

* Preliminary; subject to change.

adjusted for family size, and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of household income of the restricted AMI adjusted for family size.

[Note to describe condominiumized ground lease. There are 4 ground leases for each of the projects in the two side-by-side 9-4, 9-4 projects. Those ground leases will be subjected to the condominium regime. The condos are land condos for structuring and will include 8 units, 4 parking units and 4 residential units. The LIHTC owners will own one of each and will include any shared amenities. Those shared amenities will be governed by a reciprocal easement agreement (also in process).] **Borrower counsel to provide this description.**

PRIVATE PARTICIPANTS

The following has been provided solely by the Borrower. Certain financial information with respect to the Project is included herein. Neither the Issuer, Freddie Mac nor any of their officers or employees, make any representations as to the accuracy or sufficiency of such information.

The Borrower

The Borrower is RGC2 Southwest 4 Owner LLC, a Virginia limited liability company. The Borrower is a single-asset entity formed for the specific purpose of developing and owning the Project. The managing member of the Borrower is RGC2 Southwest 4 MM LLC, a Delaware limited liability company (the “Managing Member”), which will own a 0.01% interest in the Borrower. Hudson RGC2 Southwest 4 LLC, a Delaware limited liability company (the “Investor Member”), will have a 99.98% interest in the Borrower. Hudson SLP LLC, a Delaware limited liability company (the “Special Member”), will have a 0.01% interest in the Borrower.

The Developer

The developer is RGC2 Southwest 4 Developer LLC, a Delaware limited liability company (the “Developer”), located in Santa Monica, California. The Developer is an affiliate of Lincoln Avenue Capital LLC, a Delaware limited liability company, now doing business as Lincoln Avenue Communities (the “Sponsor”). The Sponsor was started in 2016 and has seven years of experience in affordable housing development. The Sponsor has developed more than 1,700 units in 16 states.

The Investor Member

Prior to the issuance of the Bonds, the Borrower will admit the Investor Member with a 99.98% ownership interest in the Borrower. In connection with such admission, the Investor Member is expected to fund approximately \$9,484,330* of tax credit equity to the Project, to be paid in stages during and after construction of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Limited Assets and Obligations of Borrower, Managing Member and Investor Member

The Borrower has no substantial assets other than the Project and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the development and ownership of the Project. However, the members of the Managing Member, the Investor Member, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as

* Preliminary; subject to change.

officers, members or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower under the Financing Agreement and the Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its members have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Project. Accordingly, neither the Borrower's financial statements nor those of its members are included in this Official Statement.

The Architect

The architect is KTG Group, Inc. (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 33 years and has been the principal architect for 492 multifamily developments.

The General Contractor

The general contractor for the project is Harkins Builders, Inc. (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Based out of Columbia, Maryland, the General Contractor was formed in Maryland and is a Virginia-licensed contractor. Since 2000, the General Contractor has built or rehabilitated over 4,023 units of affordable apartments in Virginia.

The Property Manager

Franklin Johnston Group Management & Development, LLC, a Virginia limited liability company (the "Property Manager"), will manage the Project following the acquisition and construction of the Project by the Borrower. The Property Manager is not an affiliate of the Developer. The Property Manager presently manages approximately 30,633 affordable housing units in Virginia and in other states. The Property Manager has 11 years of experience managing affordable housing supported by various federal, state and local subsidies including HUD, tax-exempt obligations and federal low-income housing tax credits.

THE PROJECT

The following information concerning the Project has been provided by representatives of the Borrower and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Project, known as Residences at Government Center 2 - SW4, is located in Fairfax, Virginia, on an approximately ___-acre site. Construction of the Project is anticipated to commence in November 2024 and be completed approximately 26 months later.

The building construction consists of a portion of one building, including 69 residential units with community space. Common area improvements and site amenities will include: shared fitness center with exercise equipment, interior bike racks and storage, furnished community rooms, lobby area with secure package storage, outdoor playgrounds and recreation areas. Unit amenities will include: living room/dining area, modern kitchen with energy-star appliances, storage closets, carpet and vinyl plank flooring, wood base trim and doors, in-unit washer and dryer hook-ups, broadband internet, and a private balcony. There are 69 parking spaces for resident use only.

The unit mix and approximate square footage for the units of the Project is as follows:

<u>Unit Type</u>	<u>Average Square Feet</u>	<u>Number of Units</u>
1-BR/1 Bath (40% AMI)	671	3
1-BR/1 Bath (60% AMI)	671	39
1-BR/1 Bath (70% AMI)	671	3
2-BR/2 Bath (40% AMI)	924	3
2-BR/2 Bath (60% AMI)	924	13
2-BR/2 Bath (70% AMI)	924	3
3-BR/2 Bath (40% AMI)	1,106	2
3-BR/2 Bath (60% AMI)	1,106	1
3-BR/2 Bath (70% AMI)	1,106	<u>2</u>
TOTAL		69

THE SERVICER

The information under this heading has been provided solely by the Servicer and has not been independently verified by the Issuer, the Trustee, the Borrower, the Underwriter, Freddie Mac or any of their respective counsel, members, officers or employees or Bond Counsel. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer, the Trustee, the Borrower, the Underwriter, Freddie Mac or any of their respective counsel, members, officers or employees or Bond Counsel.

Following Conversion, Capital One, National Association (the “Servicer”) will perform mortgage servicing functions with respect to the Bond Loan pursuant to the Reimbursement Agreement and related documents on behalf of and in accordance with Freddie Mac requirements. The servicing arrangements between Freddie Mac and the Servicer for servicing the Bond Loan are solely between Freddie Mac and the Servicer and neither the Issuer nor the Trustee is deemed to be a party thereto or has any claim, right, obligation, duty or liability with respect to the servicing of the Bond Loan.

The Servicer will be obligated, pursuant to its arrangements with Freddie Mac and Freddie Mac’s servicing requirements, to perform diligently all services and duties customary to the servicing of mortgages, as well as those specifically prescribed by Freddie Mac. Freddie Mac will monitor the Servicer’s performance and has the right to remove the Servicer with or without cause. The duties performed by the Servicer include general loan servicing responsibilities, collection and remittance of principal and interest payments, administration of mortgage escrow accounts and collection of insurance claims.

CERTAIN BONDHOLDERS’ RISKS

The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.

No Borrower Personal Liability

The Borrower has not been nor will it be (subject to certain limited exceptions to non-recourse liability set forth in the Financing Agreement and the Bond Mortgage) personally liable for payments on the Bond Loan, nor under the other Bond Financing Documents. All payments on the Bond Loan are expected to be derived from revenues generated by the Project.

Credit Facility; Primary Security

After Conversion, the primary security for the Series A Bonds will be the Credit Facility delivered by Freddie Mac to the Trustee in order to pay the principal of, premium, if any, and interest on the Bonds. Based on this expectation, no financial information as to the creditworthiness of the Borrower or the value of the Project is included herein. Please note, Freddie Mac is not providing any credit enhancement in connection with the Series B Bonds and has no obligations with respect to the Series B Bonds.

It is possible, in the event of the insolvency of the Credit Facility Provider, or the occurrence of some other event precluding the Credit Facility Provider from honoring its obligations to make payments as stated in the Credit Facility, that the financial resources of the Borrower will be the only source of payment on the Bonds. There can be no assurance that the financial resources of the Borrower would be sufficient to pay the principal, premium if any, and interest on the Bonds in the event the Trustee were forced to seek recourse against the Borrower. See "SECURITY FOR THE BONDS" herein.

Limited Liability of the Issuer

The Bonds, and the premium, if any, and interest thereon, are limited obligations of the Issuer, the principal of, premium, if any, and interest on which are secured by and payable solely from the Trust Estate.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Early Redemption or Mandatory Purchase

Purchasers of Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such a Bond trading at a price in excess of par, should consider the fact that the Bonds are subject to redemption or mandatory purchase at a redemption or purchase price equal to their principal amount plus accrued interest as described herein. This could occur, for example, in the event that the Bond Loan is prepaid as a result of a casualty or condemnation award payments affecting the Project or there is a default under the Bond Mortgage. See "THE BONDS – Redemption of Bonds Prior to Maturity.,"

No Acceleration or Redemption upon Loss of Tax Exemption

One condition to the Delivery Date is that the Borrower will covenant and agree to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. The financing documents contain provisions and procedures designed to assure compliance with such covenant. However, the Borrower's covenant to comply with the requirements of the Code is non-recourse to the Borrower, and the Borrower's liability is limited to the revenues and assets comprising the Project. Furthermore, the Borrower's failure to comply with such provisions will not constitute a default under the Bond Loan and will not give rise to a redemption or acceleration of the Bonds (unless Freddie Mac determines, at its option and in its sole and absolute discretion, that such failure will constitute such a default) and is not the basis for an increase in the rate of interest payable on the Bonds. **Consequently, interest on the Bonds following the Delivery Date may become includable in gross income for purposes of federal income taxation retroactive to the Delivery Date by reason of the Borrower's failure to comply with the requirements of federal tax law, and neither the Issuer, the Trustee nor the Bondholders will have remedies available to them to mitigate the adverse economic effects to the Bondholders of such inclusion by reason of the Borrower's non-compliance.**

Economic Feasibility

The economic feasibility of the Project depends in large part upon it being substantially occupied at projected rent levels. There can be no assurance that in the future the Borrower will be able to rent the units at rates which will enable them to make timely payments on the Bond Loan.

Permanent Phase Actual Bond Loan Amount

Based on current underwriting assumptions, the Forward Commitment amount is \$ _____*. The Forward Commitment permits the Actual Bond Loan Amount to be issued in an amount up to 10% greater than the principal amount of the Bonds if certain conditions are satisfied upon Conversion; however, there is no assurance that the underwriting will support the Forward Commitment amount, or an amount greater than the Forward Commitment amount if the other conditions to originating are satisfied.

Enforceability and Bankruptcy

The remedies available to the Trustee and the Bondholders upon an event of default under the Financing Agreement, the Credit Facility or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay.

Under existing laws and judicial decisions, the remedies provided under the aforesaid documents may not readily be available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the aforesaid documents will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Normal Risks

Normal risks attending any investment in real estate include possible adverse use of adjoining land, fire, earthquake or other casualty, condemnation, increased taxes, changes in demand for such facilities, increases in utility rates, adverse general and local economic conditions, energy shortages, a decline in property values in the Project, increases in operating costs due to inflation, non-compliance of tenants with the terms of their leases, unfavorable governmental regulation (such as enactment of rent controls), force

majeure and uninsurable risks, construction strikes and decrease in the relative popularity of real estate investments as contrasted with other investments. These risks and many others cannot be controlled by the Borrower and may have a substantial bearing on the profitability and financial feasibility of the Project, and which may affect the realizable value of the real estate and other collateral securing payment of the Bonds.

Management of the Project

The successful operation of the Project will depend, to a large extent, upon the management services provided by the manager of the Project and upon the ability of the Borrower to lease the units, keeping the Project substantially occupied through the term of the Bonds. There is no assurance that the manager will operate the Project on a profitable basis. There can be no assurance that the Project will be operated in a manner which will provide sufficient money to pay principal and interest on the Bonds and to operate and maintain the Project. See "PRIVATE PARTICIPANTS" herein.

Effect of Increases in Operating Expenses

It is impossible to predict future increases in operating expenses of the Project. Substantial increases in operating expenses will affect future net operating income of the Project and the ability of the Borrower to meet its debt service obligations, primarily, its reimbursement obligations to the Credit Facility Provider.

Performance of the Project and Estimated Rental Revenue Vacancies

The economic feasibility of the Project depends in large part upon the Project's being substantially occupied at levels adequate to maintain substantial occupancy throughout the term of the Bonds at sufficient rents and to cover all operating expenses of the Project and debt service on the Permanent Loan. Although representatives of the Borrower believe, based on surveys of the area where the Project is located, that a substantial number of persons currently need housing facilities such as the Project, occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the area served by the Project. While the Borrower believes the Project is needed, there may be difficulties in keeping it substantially occupied. Furthermore, no assurance can be given that the low-income tenants are able to afford the rental rates of the Project, notwithstanding the below-market rental rates. Restrictions imposed under the Code and related regulations, the Regulatory Agreement and other restrictive covenants, relating to tenant income and the rent that can be charged could have an adverse effect on the Borrower's ability to satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

Additional Bonds and Subordinate Financing

The Borrower may obtain additional financing for the Project at a future date subject to the prior written consent of the Credit Facility Provider. Such additional financing could be in the form of additional bonds issued by the Issuer. Additional bonds could be issued on a parity basis with the Bonds pursuant to a supplemental trust indenture provided that the issuance thereof was not materially adverse to the interest of the Bondholders. Such additional financing could also be in the form of a conventional loan the payment obligations with respect to which would be subordinate to the Borrower's payment obligations under the Bond Loan. In either case, the increased repayment obligations of the Borrower could increase the likelihood of an early redemption of the Bonds. Any such redemption would be at a price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

Future Legislation; IRS Examination

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations will not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the Trust Estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service (the “IRS”) has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “TAX MATTERS” herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

Potential Impact of Pandemics or Public Health Crises

The spread of the strain of a virus and resulting disease could alter the behavior of businesses and people in a manner that could have negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic would not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. The effects of a pandemic could include, among other things, an increase in the time necessary to complete the rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, interruption in the engagement of material participants in the Project and increased delinquencies and/or vacancies, all of which could impact the Borrower’s ability to make payments on the loans and result in a default and acceleration thereof.

Limitation of Remedies

Remedies available under the Indenture, the Financing Agreement, and the Regulatory Agreement are limited in certain respects. See “ENFORCEABILITY OF REMEDIES” herein.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Bonds. Such summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). It does not discuss all aspects of federal income taxation that may be relevant to investors in light of their own particular investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (including, but not limited to, dealers in securities or other persons who do not hold the Bonds as a capital asset, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State, it does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of purchasing, holding, and disposing of the Bonds.

Federal Tax Exemption

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Issuer and the Borrower and continuing compliance by the Issuer and the Borrower with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), except that interest on a Bond is not excludable while the Bond is held by a substantial user of the financed facilities or a related person as provided in the Code. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the "adjusted financial statement income" of "applicable corporations" for purposes of computing the alternative minimum tax imposed on such corporations, as such quoted terms are defined in the Code.

Section 103 of the Code provides generally that interest on qualified private activity bonds will be excludable from the gross income of the holder thereof. The Code imposes various requirements on the use and investment of the proceeds of such bonds, the maturity of and security for such bonds, the procedure for issuance of such bonds, the rebate of arbitrage profits to the Internal Revenue Service and filings with the Internal Revenue Service. In rendering its opinion, Bond Counsel has relied on the covenants, representations and certifications of the Issuer and the Borrower, including a covenant to rebate arbitrage profits in accordance with Section 148 of the Code. The inaccuracy of such representations or certifications or the failure by the Issuer or the Borrower to comply with such agreements or covenants could cause interest on the Bonds to be subject to federal income tax from the date of issuance of the Bonds or as of some later date. Bond Counsel has not undertaken to determine or to inform any person whether any actions taken or not taken or events occurring or not occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds.

Original Issue Premium

The Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a bond through reductions in the bondholder's tax basis for the bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Bondholders should consult their tax advisors for an explanation of the amortization rules.

Information Reporting and Backup Withholding

A person making payments of tax-exempt interest to a bondholder is generally required to make an information report of the payments to the Internal Revenue Service and to perform “backup withholding” from the interest if the bondholder does not provide an IRS Form W-9 to the payor. “Backup withholding” means that the payor withholds tax from the interest payments at the backup withholding rate, currently 24%. Form W-9 states the bondholder’s taxpayer identification number or basis of exemption from backup withholding.

If a holder purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding from the interest on the Bond.

If backup withholding occurs, it does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

No Other Opinions

Bond Counsel expresses no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

State Tax Exemption

Under existing law, interest on the Bonds is exempt from income taxation by the Commonwealth of Virginia. Bond Counsel will express no other opinion regarding other tax consequences with respect to the Bonds, including whether or not interest on the Bonds is subject to taxation under the laws of any jurisdiction other than the Commonwealth of Virginia.

General

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

The opinion of Bond Counsel will be delivered contemporaneously with the delivery of the Bonds substantially in the form attached hereto as APPENDIX H.

CONTINUING DISCLOSURE

The Borrower, as the only “obligated person” with respect to the Bonds, will enter into a Continuing Disclosure Agreement, dated as of October 1, 2024 (the “Continuing Disclosure Agreement”), with The Bank of New York Mellon Trust Company, N.A., acting as Dissemination Agent, pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”). Financial statements will be provided at least annually to the Municipal Securities Rulemaking Board (the “MSRB”) and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic

Municipal Market Access (“EMMA”) system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as Appendix I.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Financing Agreement (although Bondholders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower has not previously been subject to the continuing disclosure requirements of the Rule.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), a “participating underwriter” as defined in 15c2-12 and an “underwriter” as defined in Section 2(a)(11) of the Securities Act of 1933, as amended, has entered into the Bond Purchase Agreement to purchase all of the Bonds, if any of the Bonds are to be purchased, at the price set forth on the inside cover page hereof. The Bond Purchase Agreement provides that, as compensation for its services, the Underwriter will receive from the Borrower \$_____ plus \$_____ for certain fees and expenses related to the issuance of the Bonds. The Underwriter’s fee shall not include the fee of the Underwriter’s counsel. The obligation of the Underwriter to pay for the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Borrower has agreed to indemnify the Underwriter and the Issuer as to certain matters in connection with the Bonds.

The Underwriter may offer and sell the Bonds that it purchases to certain dealers including dealer banks and dealers depositing the Bonds into investment trusts and others at a price lower than the public offering price stated herein. The offering price of the Bonds may be changed from time to time by the Underwriter.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

The Underwriter and its affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates may have, from time to time, performed, and may in the future perform, various investment banking services either for the Issuer and/or the Borrower and affiliates thereof, for which they received or will receive customary fees and expenses. The Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

In addition to serving as Underwriter, Stifel, Nicolaus & Company, Incorporated has been designated to serve as the Remarketing Agent for the Series B Bonds and will receive a fee for its remarketing services in connection with the remarketing of the Series B Bonds on the Initial Mandatory Tender Date.

RATING

Moody's Investors Service, Inc. (the "Rating Agency") has assigned the ratings to the Bonds as shown on the cover page of this Official Statement. The ratings reflect only the views of the rating agency, and an explanation of the significance of such ratings may be obtained from it. No assurance can be given that the ratings will be maintained for any given period of time or that the ratings may not be revised downward, suspended or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change in, suspension or withdrawal of the ratings may have an adverse effect on the market price of the Bonds. The Underwriter and the Issuer have undertaken no responsibility after issuance of the Bonds to assure the maintenance of the ratings or to oppose any such revision, suspension or withdrawal.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the execution and delivery of the Indenture and the Financing Agreement are subject to the approving opinion of Ballard Spahr LLP, Washington, D.C., Bond Counsel, which will be furnished at the expense of the Borrower (the "Bond Counsel Opinion").

Certain legal matters will be passed upon for the Credit Facility Provider by its legal department and by its special counsel, Katten Muchin Rosenman LLP, Washington, D.C., for the Borrower by its counsel, Klein Hornig LLP, Washington, D.C., and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ABSENCE OF LITIGATION

The Issuer

On the date of issuance of the Bonds, the Issuer will deliver certificates to the effect that, to the knowledge of the Issuer, no litigation is pending or threatened against the Issuer (i) to restrain or enjoin the issuance of the Bonds, or contesting or questioning the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, or the pledge or application of any money or security provided for the payment of the Bonds or (ii) which questions the validity of the Indenture, the Financing Agreement, the Regulatory Agreement or the Bonds.

The Borrower

On the date of issuance of the Bonds, the Borrower is delivering a certificate that there is no pending or, to the knowledge of the Borrower, any threatened litigation against the Borrower adversely affecting the power or authority of the Borrower to enter into the Bond Financing Documents or that would materially adversely affect the Borrower's obligations under the Bond Financing Documents.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee and the owners of the Bonds upon an Event of Default under the Indenture, the Financing Agreement, the Credit Facility, if delivered, or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

RELATIONSHIP AMONG PARTIES

In connection with the issuance of the Bonds, the Issuer, the Borrower, and the Underwriter are being represented by the attorneys or law firms identified herein. In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Underwriter, the Borrower, or their affiliates, in capacities different from those described herein, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of those attorneys or firms to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Underwriter, the Borrower, or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

MISCELLANEOUS

Any statements herein involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer or the Borrower and the purchasers or owners of any of the Bonds. The Issuer makes no representations as to the accuracy or completeness of the contents of this Official Statement except with respect to the information under the sections "THE ISSUER" and "ABSENCE OF LITIGATION – The Issuer."

Appendices A through I are integral parts of this Official Statement and should be read in conjunction with the foregoing material.

Certain provisions of the Act, the Indenture, the Credit Facility, the Code and other provisions of law are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents and laws for a full and complete statement of their respective provisions. All quotations from, and summaries and explanations of, the Act, the Indenture, the Credit Facility and the Code contained herein do not purport to be complete and reference is made to said documents for full and complete statements of their provisions. Copies of the Indenture and the Credit Facility may be obtained upon request directed to the Fairfax County Redevelopment and Housing Authority, 3700 Pender Drive, Fairfax, VA 22030.

The information contained herein is subject to change without notice and no implication is to be derived therefrom or from the offering of the Bonds that there has been no change in such information from the date of this Official Statement.

This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Any statements herein involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of any of the Bonds.

[Signature pages to follow]

This Official Statement has been approved by the Issuer and the Borrower for distribution by the Underwriter to potential purchasers of the Bonds.

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**

By: _____
Lenore Stanton
Chair

[Signatures continue on next page]

[Borrower Signature Page to this Official Statement]

RGC2 SOUTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Southwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

In addition to the terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this Official Statement. Terms used but not otherwise defined herein will have the meanings assigned to such terms in the Indenture or the Financing Agreement.

“Act” means the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended and supplemented from time to time.

“Actual Bond Loan Amount” means the amount of the Bond Loan that will be outstanding on the Conversion Date which shall be computed in accordance with the provisions set forth in the Construction Phase Financing Agreement.

“Administration Fund” means the Administration Fund established by the Trustee pursuant to the Indenture.

“Administration Fund Deposit” means the deposit to be made by the Borrower with the Trustee on the Delivery Date, which deposit shall equal \$[] and shall be comprised of sources other than the proceeds of the Bonds.

“Authorized Denomination” means (i) with respect to the Series A Bonds, \$5,000 principal amount or any integral multiple thereof within a maturity and (ii) with respect to the Series B Bonds, \$5,000, or any integral multiple of \$1,000 in excess thereof.

“Authorized Officer” means (a) when used with respect to the Issuer, any authorized representative of the Issuer described in the Bond Resolution and such additional Person or Persons, if any, duly designated by the Issuer in writing to act on its behalf, (b) when used with respect to the Borrower, Russell Condas and Tyler Conger of the managing member of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Trustee, any authorized signatory of the Trustee, or any Person who is authorized in writing to take the action in question on behalf of the Trustee, (d) when used with respect to the Servicer, any Person or Persons duly designated by the Servicer in writing to act on its behalf, and (e) when used with respect to the Credit Facility Provider, any Person who is authorized in writing to take the action in question on behalf of the Credit Facility Provider.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as now and thereafter in effect, or any successor federal statute.

“Bond” or “Bonds” means, individually or collectively as context may dictate, the Series A Bonds and the Series B Bonds.

“Bond Closing Memorandum” means the Bond Closing Memorandum prepared and delivered on or before the Delivery Date signed by the Borrower.

“Bond Counsel” means (a) Ballard Spahr LLP, or (b) any law firm selected by the Issuer and acceptable to the Credit Facility Provider, of nationally recognized standing in matters pertaining to the excludability from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

“Bond Financing Documents” means, collectively, the Indenture, the Bonds, the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Continuing Disclosure Agreement, the Construction Phase Financing Agreement, the Bond Purchase Agreement, the Remarketing Agreement and any Bond Loan Documents not otherwise included in the foregoing list of documents.

“Bond Fund” means the Bond Fund established by the Trustee pursuant to the Indenture.

“Bond Loan” means the loan made by the Issuer to the Borrower from the proceeds of the Bonds in the principal amount of \$14,500,000* pursuant to the Financing Agreement.

“Bond Loan Documents” means the Bond Note, the Financing Agreement, the Regulatory Agreement, and following Conversion, the Bond Mortgage, any Custodial Escrow Agreement, the Credit Facility, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement, the Pledge Agreement and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Bond Loan or any portion thereof, or evidencing, securing or otherwise relating to the Borrower’s obligations to the Credit Facility Provider in connection with the delivery of the Credit Facility.

“Bond Mortgage” means, with respect to the Series A Bonds, on and following the Conversion Date, the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date, together with all riders and addenda thereto, granting a first priority mortgage and security interest in the Project to the Issuer to secure the repayment of the Bond Loan outstanding on the Conversion Date which Bond Mortgage will be assigned by the Issuer to the Trustee as the same may be amended, supplemented or restated.

“Bond Note” means the Multifamily Note equal to the principal amount of the Bonds dated the Delivery Date from the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Bond Loan, as the same may be amended, supplemented or restated from time to time, which Bond Note will be delivered to the Issuer and endorsed by the Issuer to the Trustee.

“Bond Proceeds Fund” means the Bond Proceeds Fund established by the Trustee pursuant to the Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated October __, 2024, among the Underwriter, the Issuer and the Borrower.

“Bond Register” means the books or other records maintained by the Bond Registrar setting forth the registered Holders from time to time of the Bonds.

“Bond Registrar” means the Trustee acting as such, and any other bond registrar appointed pursuant to the Indenture.

“Bond Resolution” means the resolution adopted by the Issuer authorizing the issuance of the Bonds.

“Bond Year” means, with respect to an issue of Bonds, each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Bond Years may be short periods. If no day is selected by Borrower before the earlier of the final maturity of an issue of Bonds or the date that is five years after the Delivery Date of such issue of

* Preliminary; subject to change.

Bonds, each Bond Year ends on each anniversary of the Delivery Date for such issue of Bonds and on the final maturity of such issue of Bonds.

“Bondholder” or “Holder” or “Owner” means any Person who shall be the registered owner of any Outstanding Bond or Bonds.

“Borrower” means RGC2 Southwest 4 Owner LLC, a limited liability company, duly organized and existing under the laws of the State, or any of its permitted successors or assigns, as owner of the Project.

“Business Day” means (1) any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York (or other agent acting as the Credit Facility Provider’s fiscal agent identified to the Trustee) is authorized or obligated by law or executive order to remain closed, (d) a day on which the Principal Office of the Credit Facility Provider is closed, or (2) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee or the Credit Facility Provider is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

“Cash Flow Projection” means cashflow projections prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, establishing, to the satisfaction of the Rating Agency, as applicable, that (a) the amounts on deposit with the Trustee in the applicable account of the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund, (b) projected Investment Income to accrue on amounts on deposit in the applicable Bond Proceeds Fund, the Collateral Fund and the Revenue Fund during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower are sufficient to pay, as applicable, (i) amounts due and payable on the Bonds on each payment date with respect thereto, (ii) the costs of any proposed remarketing of the Series B Bonds, as provided in the Indenture, (iii) in the event that the Trustee intends to sell or otherwise dispose of Qualified Investments prior to maturity at a price below par, as described in the Indenture, (iv) the purchase sale or exchange of Qualified Investments as provided in the Indenture, or (v) the extension of the Conversion Date Deadline as set forth in the Indenture. The cost and expense of obtaining such Cash Flow Projections shall be the sole responsibility of the Borrower.

“Certificate of the Issuer” and “Request of the Issuer” mean, respectively, a written certificate or request signed in the name of the Issuer by an Authorized Officer of the Issuer or such other Person as may be designated and authorized to sign for the Issuer. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Collateral Fund” means the Collateral Fund (and any accounts thereunder) created and so designation in the Indenture.

“Conditions to Conversion” has the meaning given to that term in the Construction Phase Financing Agreement.

“Construction Lender” means Capital One, National Association, a national banking association, its successors and assigns, in such capacity.

“Construction Loan” means the loan made by the Construction Lender to the Borrower in the original principal amount of up to \$20,070,912*.

“Construction Loan Documents” means the documents executed and delivered in connection with the Construction Loan, including, without limitation, the promissory note and mortgage evidencing the Construction Loan.

“Construction Phase” has the meaning given to that term in the Construction Phase Financing Agreement.

“Construction Phase Financing Agreement” means the Construction Phase Financing Agreement, dated as October 1, 2024, by and among Freddie Mac, the Servicer and the Construction Lender and approved and acknowledged by the Borrower, as such agreement may be amended, modified, supplemented or restated from time to time.

“Continuing Disclosure Agreement” means an agreement to be entered into by the Borrower and the Dissemination Agent, as such Continuing Disclosure Agreement may from time to time be amended or supplemented.

“Conversion” means the conversion of the Bond Loan from the Construction Phase to the Permanent Phase following the satisfaction of all Conditions to Conversion.

“Conversion Date” means the date of the Conversion of the Bond Loan specified as such in the Conversion Notice, which date must be a Business Day at least [fifteen (15)] days following the date on which the Conversion Notice is issued by the Servicer or such other date as is approved by Freddie Mac; provided, however, the Conversion Date shall occur under the Indenture no earlier than May 1, 2027.

“Conversion Date Deadline” means the Forward Commitment Maturity Date, as such date may be extended pursuant to the Indenture.

“Conversion Notice” means a written notice by the Servicer to the Issuer, the Trustee, the Borrower, and the Credit Facility Provider given prior to the Forward Commitment Maturity Date and in accordance with the terms of the Forward Commitment (a) stating that each of the Conditions to Conversion has been satisfied prior to the Forward Commitment Maturity Date or, if any Condition to Conversion has not been satisfied prior to the Forward Commitment Maturity Date, has been waived in writing by the Credit Facility Provider, and (b) specifying the Conversion Date.

“Cost,” “Costs” or “Costs of the Project” means costs paid with respect to the Project that (i) are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Issuer to reimburse costs of the Project with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Bonds such costs were (A) costs of issuance of the Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Project that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States

* Preliminary; subject to change.

Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project is being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), “Cost,” “Costs” or “Costs of the Project” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, construction or equipping of the Project or payments received by such Affiliate due to early completion of the Project (or any portion thereof).

“Cost of Issuance Fund” means the Cost of Issuance Fund (and any subaccounts thereunder) established by the Trustee pursuant to the Indenture.

“Costs of Issuance” means (i) the fees (excluding ongoing fees), costs and expenses of (a) the Issuer, the Issuer’s counsel and the Issuer’s financial advisor, (b) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriter’s counsel, (c) Bond Counsel, (d) the Trustee and the Trustee’s counsel, (e) the Servicer and the Servicer’s counsel, (f) the Credit Facility Provider and the Credit Facility Provider’s counsel, (g) Borrower’s counsel attributable to the issuance of the Bonds and the Borrower’s financial advisor, if any, and (h) the Rating Agency, (ii) costs of printing the offering documents relating to the sale of the Bonds and (iii) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Trustee on the Delivery Date, which deposit shall equal \$ _____ and be comprised of sources other than the proceeds of the Bonds.

“Credit Enhancement Agreement” means the Credit Enhancement Agreement dated as of the Conversion Date between Freddie Mac and the Trustee, as such Credit Enhancement Agreement may from time to time be amended or supplemented.

“Credit Facility” means the Credit Enhancement Agreement.

“Credit Facility Account” means the Credit Facility Account of the Revenue Fund established by the Trustee pursuant to the Indenture.

“Credit Facility Interest Reimbursement Account” means the Credit Facility Interest Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to the Indenture.

“Credit Facility Principal Reimbursement Account” means the Credit Facility Principal Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to the Indenture.

“Credit Facility Provider” means Freddie Mac, in its capacity as the provider of the Credit Facility, or its successors or assigns.

“Credit Facility Reimbursement Fund” means the Credit Facility Reimbursement Fund (and any subaccounts thereunder) established by the Trustee, for the benefit of Freddie Mac, pursuant to the Indenture.

“Custodial Escrow Account” means, collectively, the account or accounts established and held by the Servicer, in accordance with the Guide or otherwise, for the purpose of funding (a) escrows for taxes, insurance and related payments and costs, if required by the Credit Facility Provider, (b) a reserve for replacements for the Project, if required by the Credit Facility Provider, and (c) a debt service reserve for the Bond Loan, if required by the Credit Facility Provider.

“Custodial Escrow Agreement” means any agreement (which agreement may be the Guide or the Commitment as applicable) pursuant to which a Custodial Escrow Account is established and maintained.

“Custodian” means The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely in its capacity as collateral agent for the Credit Facility Provider under the Pledge Agreement, and any successor in such capacity.

“Delivery Date” means October __, 2024, the date of initial delivery of the Bonds to the initial purchasers thereof against payment therefor.

“Dissemination Agent” means initially [the Trustee], or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

“Dissemination Agent’s Fee” means the annual or semi-annual fees to the Dissemination Agent as compensation for the Dissemination Agent’s services under the Continuing Disclosure Agreement, which fee(s) shall not exceed \$ ___ during any twelve-month period which fee shall be paid directly by the Borrower and not from any funds held under the Indenture.

“DTC” means The Depository Trust Company, New York, New York, as initial Securities Depository for the Bonds pursuant to the Indenture or its successors.

“Electronic Notice” means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in the Indenture; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by the Indenture.

“Eligible Funds” means, as of any date of determination, any of:

(a) with respect to the Series A Bonds, following the Conversion Date, proceeds received from draws on the Credit Facility;

(b) proceeds of the Bonds received contemporaneously with the issuance and sale of the Bonds or any other amount received by the Trustee from the Underwriter or the Remarketing Agent;

(c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Construction Loan;

(d) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that

relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 544, 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period;

(f) moneys drawn on a letter of credit; and

(g) Investment Income derived from the investment of moneys described in (a) through (f) above.

“Eligible Funds Provider” means the Construction Lender or such other party delivering Eligible Funds to the Trustee for deposit to the Collateral Fund as set forth in the Indenture.

“Event of Default” or “event of default” means any of those events specified in and defined by the applicable provisions of the Indenture to constitute an event of default.

“Extension Deposit” means the deposit of Eligible Funds (a) with respect to the Series A Bonds, as described in the Indenture and which shall be determined by a Cash Flow Projection, and (b) with respect to the Series B Bonds, the amount due, if any, to provide adequate additional funds for the payment of principal and interest due with respect to the Series B Bonds during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, and which shall be determined by a Cash Flow Projection.

“Extraordinary Issuer Fees and Expenses” means the expenses and disbursements payable to the Issuer under the Indenture or the other Bond Financing Documents for Extraordinary Services, including extraordinary fees, costs and expenses incurred by Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Financing Agreement.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all reasonable expenses (including, but not limited to, attorney’s fees, costs and expenses) properly incurred by the Trustee, including in its capacity as Paying Agent and Bond Registrar, or the Issuer under the Indenture or the other Bond Financing Documents, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Servicing Fees and Expenses” means all fees and expenses of the Servicer under the Guide during any Bond Year in excess of Ordinary Servicing Fees and Expenses.

“Extraordinary Trustee’s Fees and Expenses” means the expenses and disbursements payable to the Trustee under the Indenture or the other Bond Financing Documents for Extraordinary Services, including extraordinary fees, costs and expenses incurred by counsel to the Trustee which are to be paid by the Borrower pursuant to the Financing Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the

acquisition price in a bona fide arm's length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Issuer and related parties do not own more than a ten percent (10%) beneficial interest in the Indenture if the return paid by the fund is without regard to the source of investment.

"Financing Agreement" means the Financing Agreement dated as of October __, 2024, among the Borrower, the Issuer and the Trustee, as such Financing Agreement may from time to time be amended or supplemented.

"Forward Commitment" means the forward commitment letter between the Credit Facility Provider and the Servicer pursuant to which the Credit Facility Provider has agreed to provide credit enhancement of the Bond Loan effective as of the Conversion Date upon satisfaction of the terms and conditions set forth therein as it may be amended, modified or supplemented from time to time.

"Forward Commitment Maturity Date" means November 1, 2027*, subject to extension by the Credit Facility Provider as provided in the Forward Commitment.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

"Freddie Mac Credit Enhancement Fee" shall have the meaning given to that term in the Reimbursement Agreement.

"Freddie Mac Credit Enhancement Payment" shall have the meaning given to that term in the Credit Enhancement Agreement.

"Freddie Mac Reimbursement Amount" shall have the meaning given to that term in the Reimbursement Agreement.

"General Account" means the General Account of the Revenue Fund established by the Trustee pursuant to the Indenture.

"Government Obligations" means investments meeting the requirements of clause (ii)(a) or (b) of the definition of "Qualified Investments" in the Indenture.

"Guaranteed Payment" shall have the meaning given to that term in the Credit Enhancement Agreement.

"Guide" means the Freddie Mac Multifamily Seller/Servicer Guide, as the same may be amended, modified or supplemented from time to time.

* Preliminary; subject to change.

“Indenture” means the Trust Indenture, as the same may have been from time to time amended or modified, together with any other indentures supplemental thereto.

“Information Service” means in accordance with then current guidelines of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor entity or entities designated by the Securities and Exchange Commission.

“Initial Collateral Fund Deposit” means Eligible Funds in the amount of \$[51,000].

“Initial Mandatory Tender Date” means, with respect to the Series B Bonds, November 1, 2027*.

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Series B Bonds on such date, as provided in the Indenture, are satisfied.

“Initial Series B Interest Rate” means, with respect to the Series B Bonds, ____% per annum.

“Intercreditor Agreement” means the Intercreditor Agreement dated as of the Conversion Date, among the Issuer, the Trustee and Freddie Mac, as the same may be amended or supplemented.

“Interest Payment Date” means (i) May 1 and November 1 of each year, beginning on May 1, 2025* (ii) for Bonds subject to redemption but only with respect to such Bonds, the date of redemption (or purchase in lieu of redemption), (iii) for the Series B Bonds subject to mandatory tender on a Mandatory Tender Date but only with respect to such Series B Bonds, the Mandatory Tender Date and (iv) the Maturity Date.

“Investment Income” means the earnings and profits derived from the investment of money pursuant to the Indenture.

“Investor Member” means Hudson RGC2 Southwest 4 LLC, a Delaware limited liability company, its successors and assigns.

“Issuer” means the Fairfax County Redevelopment and Housing Authority, a political subdivision of the State, and any successor to its power and duties under the Act.

“Issuer Fees and Expenses” means, collectively, the Ordinary Issuer Fees and Expenses and the Extraordinary Issuer Fees and Expenses.

“Letter of Representations” means when all the Bonds are Book-Entry Bonds, the Blanket Letter of Representations executed by the Issuer and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Mandatory Tender Date” means with respect to the Series B Bonds, (a) the Initial Mandatory Tender Date and (b) if the Series B Bonds Outstanding on such date or on any subsequent Mandatory Tender Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Market Risk Event” means (a) legislation enacted by the Congress, (b) a final non appealable decision rendered by a court established under Article III of the Constitution of the United States of

* Preliminary; subject to change.

America, or the United States Tax Court, or (c) an order, ruling or regulation issued by the United States Department of the Treasury or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing interest received by any Bondholder (other than a Bondholder who is a “substantial user” of the Project or a “related person” of a substantial user (each within the meaning of Section 147(a) of the Code)) to be included in the gross income of such Bondholder for purposes of federal income taxation.

“Maturity Date” means each applicable maturity date for the Bonds as set forth in the Indenture.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Negative Arbitrage Deposit” means individually or collectively, as applicable, the Series A Negative Arbitrage Deposit and the Series B Negative Arbitrage Deposit.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“Ordinary Issuer Fees and Expenses” means:

(a) the origination fee of the Issuer in the amount of \$[137,400] due and payable on the Delivery Date;

(b) the upfront monitoring fee of the Issuer for the Series B Bonds in the amount of \$65,000 per annum for the period commencing on the Delivery Date until the Initial Mandatory Tender Date (i.e., \$195,000), due and payable on the Delivery Date (and if the Series B Bonds are remarketed to another extended Mandatory Tender Date, the allocable portion of such \$65,000 per annum fee corresponding to such extended period, due and payable on the date of such remarketing and extension); and

(c) the ongoing monitoring fee of the Issuer for the Series A Bonds in the amount of 0.25% per annum of the outstanding principal amount of the Series A Bonds payable on a monthly basis commencing December 1, 2024, and the first day of each month thereafter from amounts transferred or deposited to the Administration Fund.

“Ordinary Services” and “Ordinary Expenses” means those services normally rendered, and those expenses normally incurred, by a trustee or by a state or municipal issuer of tax-exempt debt under instruments similar to the Indenture.

“Ordinary Servicing Fees and Expenses” means the ordinary fees payable to the Servicer in connection with the servicing of the Bond Loan under the Guide, payable monthly in arrears as provided in the Reimbursement Agreement.

“Ordinary Trustee’s Fees and Expenses” means the annual administration fee for the Trustee’s ordinary fees and expenses in rendering its services under the Indenture during each twelve-month period, which fee is equal to (and shall not exceed) \$4,000 for the Series A Bonds and \$4,000 for the Series B Bonds for as long as such Bonds are Outstanding and shall be payable semi-annually in advance on the Delivery Date and each November 1 thereafter, commencing on November 1, 2025.

“Outstanding” when used with respect to the Bonds or “Bonds Outstanding” means, as of any date, all Bonds that have been duly authenticated and delivered by the Trustee under the Indenture, except:

- (i) Bonds surrendered and replaced upon exchange or transfer, or cancelled because of payment or redemption, at or prior to such date;
- (ii) Bonds for the payment, redemption or purchase for cancellation of which sufficient money has been deposited prior to such date with the Trustee (whether upon or prior to the maturity, amortization or redemption date of any such Bonds), or which are deemed to have been paid and discharged pursuant to the provisions of the Indenture; provided that if such Bonds are to be redeemed prior to the maturity thereof, other than by scheduled amortization, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;
- (iii) Bonds in lieu of which others have been authenticated (or payment, when due, of which is made without replacement) under the Indenture; and also except that

For the purpose of determining whether the holders of the requisite amount of Bonds Outstanding have made or concurred in any notice, request, demand, direction, consent, approval, order, waiver, acceptance, appointment or other instrument or communication under or pursuant to the Indenture, Bonds known to the Trustee to be owned by or for the account of the Borrower or any Person owned, controlled by, under common control with or controlling the Borrower shall be disregarded and deemed to be not Outstanding, unless all Bonds shall be so owned, and provided that the Trustee has knowledge of the foregoing; provided, further, that all Purchased Bonds shall be deemed to be Outstanding, and the Trustee shall follow any direction provided by the Credit Facility Provider with respect to Purchased Bonds for the purposes of the Indenture (Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee’s right to vote such Bonds, and in the event of a dispute as to the existence of such right, any decision by the Trustee taken upon the advice of counsel shall constitute full protection to the Trustee). The term “control” (including the terms “controlling”, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Beneficial ownership of 5% or more of a class of securities having general voting power to elect a majority of the board of directors of a corporation shall be conclusive evidence of control of such corporation.

“Paying Agent” means the Trustee acting as such, or any other paying agent appointed pursuant to the Indenture.

“Permanent Phase” has the meaning given to that term in the Construction Phase Financing Agreement.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated association, a limited liability company or a government or any agency or political subdivision thereof, or any other organization or entity (whether governmental or private).

“Pledge Agreement” means that certain Pledge, Security and Custody Agreement dated the Conversion Date by and among Freddie Mac, the Custodian, and the Borrower, as originally executed or as modified or amended from time to time.

“Principal Office of the Credit Facility Provider” means the office of Freddie Mac located at 8100 Jones Branch Drive, McLean, Virginia 22102, or such other office or offices as Freddie Mac may designate in writing from time to time.

“Principal Office of the Trustee” means the office of the Trustee referenced in the Indenture, or such other office or offices as the Trustee may designate in writing from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

“Project” means, collectively, the land and residential rental apartment units, and related fixtures, equipment, furnishings and site improvements to be known as “Residences at Government Center 2 – SW4” located at 12020 Government Center Parkway, Fairfax, VA 22035.

“Purchase Price” means, with respect to any Bond to be purchased pursuant to the Indenture, the principal amount of such Bond plus any redemption premium due thereon plus interest accrued thereon to the Settlement Date.

“Purchased Bond” means on and after the Conversion Date, any Series A Bond during the period from and including the date of its purchase by the Trustee on behalf of the Borrower pursuant to the Indenture with amounts provided by the Credit Facility Provider under the Credit Facility, to, but excluding, the date on which such Series A Bond is (a) transferred pursuant to and in accordance with the Indenture or (b) redeemed or otherwise cancelled.

“Purchased Bonds Account” means the Purchased Bonds Account of the Bond Fund established by the Trustee pursuant to the Indenture.

“Qualified Investments” means

(i) prior to Conversion, any of the following if and to the extent permitted by law: (a) noncallable, non-redeemable direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof; (c) shares or units in any money market mutual fund rated “Aaa-mf” by the Rating Agency (or the equivalent highest rating (as defined below) given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America; (d) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Trustee or such other institution has been rated at least “VMIG-1”/“A-1+” by the Rating Agency which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; and

(ii) on or following Conversion, any of the following if and to the extent permitted by law: (a) noncallable, non-redeemable direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest

on which are unconditionally guaranteed by the full faith and credit of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof; (c) shares or units in any money market mutual fund rated “Aaa-mf” by the Rating Agency (or the equivalent highest rating (as defined below) given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America; (d) senior debt obligations of Freddie Mac; (e) senior debt obligations of Fannie Mae; (f) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Trustee or such other institution has been rated at least “VMIG-1”/“A-1+” by the Rating Agency which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (g) investment agreements with Freddie Mac or a bank or any insurance company or other financial institution which has a rating assigned by the Rating Agency to its outstanding long-term unsecured debt which is the highest rating (as defined below) for long-term unsecured debt obligations assigned by the Rating Agency, and which are approved by the Credit Facility Provider; (h)(i) tax-exempt obligations rated in the highest short term rating category by the Rating Agency, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AAA” by the Rating Agency (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Trustee or its affiliates receive a fee for investment advisory or other services to the fund; or (i) on and after the Conversion Date, any other investments approved in writing by the Credit Facility Provider. For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG-1”/“A-1+” for obligations with less than one year maturity; at least “Aaa”/“VMIG-1”/“AAA”/“A-1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/“AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index.

“Rating Agency” means Moody’s, or any other nationally recognized securities rating agency rating the Bonds, such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“Rating Category” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Qualified Investment.

“Rebate Analyst” means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Issuer, to make the computations required under the Indenture and the Financing Agreement. Initially, the Rebate Analyst will be Tiber Hudson LLC.

“Rebate Fund” means the Rebate Fund established by the Trustee pursuant to the Indenture.

“Record Date” means the 15th day of the month preceding the month in which any Interest Payment Date falls.

“Redemption Fund” means the Redemption Fund established by the Trustee pursuant to the Indenture.

“Regulatory Agreement” means the Land Use Restriction Agreement, dated as of October 1, 2024, among the Issuer, the Trustee and the Borrower.

“Reimbursement Agreement” means the Reimbursement and Security Agreement dated the Conversion Date between the Borrower and Freddie Mac, as the same may be amended, supplemented or restated from time to time.

“Reimbursement Mortgage” means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Conversion Date from the Borrower to Freddie Mac, together with all riders and addenda thereto, granting a second priority mortgage and security interest in the Project to Freddie Mac to secure the obligations of the Borrower under the Reimbursement Agreement and all documents related thereto, as the same may be amended, supplemented or restated from time to time.

“Reimbursement Security Documents” has the meaning given to that term in the Reimbursement Agreement.

“Remarketing Agent” means with respect to the Series B Bonds, initially, Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of the Indenture) that may be appointed by the Borrower.

“Remarketing Agent’s Fee” means the fee of the Remarketing Agent for its remarketing services. The Remarketing Agent’s Fee shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Remarketing Agreement” means the Remarketing Agreement, dated as of October 1, 2024, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means with respect to the Series B Bonds, the Initial Remarketing Date and, if the Series B Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses, other than those set forth in the Financing Agreement, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel and the Dissemination Agent in connection with the remarketing of the Series B Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, the cost of any Cash Flow Projections or other verification reports, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Series B Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Member, the Special Member, the Construction Lender and the Servicer.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Series B Bonds are remarketed pursuant to the Indenture or the final Series B Bond Maturity Date of the Series B Bonds, as applicable.

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Series B Bonds Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Series B Bond Maturity Date of the Series B Bonds, as applicable.

“Requisition” means, with respect to the applicable Bond Proceeds Fund, the requisition in the form of an exhibit attached to the Indenture required to be submitted in connection with disbursements from the applicable account of the Bond Proceeds Fund, and with respect to the Cost of Issuance Fund, the requisition in the form of an exhibit attached to the Indenture required to be submitted in connection with disbursements from the Cost of Issuance Fund. Such Requisition for the Bond Proceeds Fund shall be signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Eligible Funds Provider (signifying the consent to the Requisition by the Eligible Funds Provider).

“Responsible Officer” means any officer of the Trustee employed within or otherwise having regular responsibility in connection with the corporate trust department of the Trustee and the trusts created under the Indenture.

“Revenue Fund” means the Revenue Fund (and any accounts thereunder) established by the Trustee pursuant to the Indenture.

“Revenues” means (a) all payments made with respect to the Bond Loan pursuant to the Financing Agreement, the Bond Note or, on and after the Conversion Date, the Bond Mortgage, including all casualty or other insurance benefits and condemnation awards paid in connection therewith (subject in all events to the interests of the Credit Facility Provider therein under the terms of the Credit Facility and the Reimbursement Security Documents), (b) on and after the Conversion Date, payments made by the Credit Facility Provider pursuant to the Credit Facility and (c) all money and securities held by the Trustee in the funds and accounts established pursuant to the Indenture (excluding money or securities designated for deposit into and held in the Cost of Issuance Fund, the Administration Fund, the Credit Facility Reimbursement Fund and the Rebate Fund), together with all investment earnings thereon.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Securities Depository” means (a) The Depository Trust Company; or (b) any replacement registered securities depository which has been designated in a Certificate of the Issuer delivered to the Trustee and the Credit Facility Provider pursuant to the Indenture.

“Series A Bond Maturity Date” means November 1, 2044*.

* Preliminary; subject to change.

“Series A Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024A in the aggregate principal amount of \$11,310,000* authorized under, secured by and issued pursuant to the provisions of the Indenture.

“Series A Negative Arbitrage Deposit” means Eligible Funds in the amount of \$ _____ to be deposited on the Delivery Date into the Series A Negative Arbitrage Account in the Revenue Fund and as otherwise set forth in the Bond Closing Memorandum.

“Series A Project Account” means the Series A Project Account of the Bond Proceeds Fund established by the Trustee pursuant to the Indenture.

“Series B Bond Maturity Date” means November 1, 2028*.

“Series B Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024B in the aggregate principal amount of \$3,190,000* authorized under, secured by and issued pursuant to the provisions of the Indenture.

“Series B Negative Arbitrage Deposit” means Eligible Funds in the amount of \$ _____ to be deposited on the Delivery Date into the Series B Negative Arbitrage Account in the Revenue Fund and as otherwise set forth in the Bond Closing Memorandum.

“Series B Project Account” means the Series B Project Account of the Bond Proceeds Fund established by the Trustee pursuant to the Indenture.

“Servicer” means the eligible servicing institution designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Loan), or its successor, as servicer of the Bond Loan, following Conversion. Initially, the Servicer shall be Capital One, National Association.

“Settlement Date” means any date on which any Bond is purchased or deemed purchased pursuant to the Indenture.

“Special Member” means Hudson SLP LLC, its successor and assigns.

“State” means the Commonwealth of Virginia.

“Tax Certificate” means the Tax Compliance Agreement and No Arbitrage Certificate dated as of the Delivery Date, by and between the Borrower and the Issuer.

“Trust Estate” shall have the meaning given to that term in the granting clauses of the Indenture.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., and its successors in trust under the Indenture.

“Unassigned Rights” means (a) all rights which the Issuer and its officers, officials, directors, agents and employees may have under the Indenture, the Financing Agreement and the Regulatory Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, directors, agents or employees; (b) the right of the Issuer to give and receive notices, reports, certifications, or other information under the Indenture, under the Financing Agreement and under the Regulatory Agreement; (c) the right of the Issuer to receive its fees and expenses; (d) the Issuer’s approval rights; (e) the rights of the Issuer with respect to inspections; (f) the rights of the Issuer with respect to publicity and signage; (g) the notification, indemnification and

enforcement rights of the Issuer in the Financing Agreement; (h) the rights of the Issuer with respect to limited liability; (i) all rights of the Issuer to enforce the covenants and agreements and to take action for the breach of any representation or warranty of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excludable from gross income for federal income tax purposes, as are set forth in any of the Bond Financing Documents, including any certificate or agreement executed by the Borrower; (j) all rights of the Issuer in connection with any amendment to or modification of any of the Indenture and the Financing Agreement, or the Regulatory Agreement insofar as any such amendment or modification would affect the Unassigned Rights of the Issuer; and (k) all enforcement rights with respect to the foregoing. All of the foregoing rights of the Issuer under the Indenture, the Financing Agreement and the Regulatory Agreement are reserved to the Issuer, as none of these rights under the Indenture, the Financing Agreement or the Regulatory Agreement are being assigned by the Issuer to the Trustee.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

“Wrongful Dishonor” means the failure of the Credit Facility Provider to honor a draw made in accordance with the terms of the Credit Facility (which draw strictly complies with, and conforms to, the terms and conditions of the Credit Facility).

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Trustee.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix A to this Official Statement.

The Bonds

The Bonds are authorized to be issued under the Indenture as revenue bonds of the Issuer in accordance with the Bond Resolution. The Bonds shall be issued in two series designated as set forth in the Indenture. The Bonds shall be fully registered as to principal and interest, without coupons, and shall be numbered by series, if any, in the manner and with any additional designation as the Trustee, as Bond Registrar, deems necessary for the purpose of identification. All of the Bonds are equally and ratably secured. Bonds issued on the Delivery Date shall be dated such date; Bonds issued after the Delivery Date shall be dated the date they are authenticated by the Trustee. The Bonds shall be due and payable in full on their Maturity Dates. The Series B Bonds shall be subject to mandatory tender on each Mandatory Tender Date.

The Series A Bonds shall bear interest from the Delivery Date at the fixed interest rate provided in the Indenture, The Series B Bonds shall bear interest from the Delivery Date to but not including the Initial Mandatory Tender Date, at a rate per annum equal to the Initial Series B Interest Rate and during each subsequent Remarketing Period, at a rate per annum equal to the Remarketing Rate; provided, however, that in no event shall interest paid on the Series B Bonds exceed the Maximum Rate. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds shall be payable on each Interest Payment Date, in each case from the Interest Payment Date next preceding the date of authentication thereof to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of the Bond, or unless no interest has been paid or duly provided for on the Bonds, in which case from the Delivery Date, until payment of the principal of the Bond has been made or duly provided for. Notwithstanding the foregoing, if a Bond is authenticated after a Record Date and before the following Interest Payment Date, such Bond shall bear interest from such Interest Payment Date; provided, however, that if there shall be a default in the payment of interest due on such Interest Payment Date, then the Bonds shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on the Bonds, from the Delivery Date.

The Bonds shall be issued in Authorized Denominations and shall bear interest payable on each Interest Payment Date at the rates per annum and shall mature, subject to redemption prior to maturity as provided on the dates set forth in the Indenture.

Limited Obligations

The Bonds, and the premium, if any, and interest thereon, are limited obligations of the Issuer, the principal of, premium, if any, and interest on which are secured by and payable solely from the Trust Estate.

NEITHER THE COMMISSIONERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS SHALL NOT BE A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Establishment of Bond Proceeds Fund; Application of Bond Proceeds and Other Money; Assignment of Bond Loan to Trustee

The Trustee shall establish, maintain and hold in trust and there is established with the Trustee a Bond Proceeds Fund and therein a Series A Bond Proceeds Account and a Series B Bond Proceeds Account. No amount shall be charged against the Bond Proceeds Fund except as expressly provided in this section and as described under “Bond Proceeds Fund,” below.

The proceeds of the sale of the Bonds shall be delivered to the Trustee on the Delivery Date. The Trustee shall deposit such proceeds from the Series A Bonds to the credit of the Series A Bond Proceeds Account and from the Series B Bonds to the credit of the Series B Bond Proceeds Account. Amounts in the Bond Proceeds Fund shall be disbursed as provided in the fourth paragraph below, subject to the conditions set forth in the Financing Agreement. Upon the disbursement of all amounts in the Bond Proceeds Fund, the Trustee shall close the Bond Proceeds Fund.

The Borrower shall deliver funds as set forth in the Bond Closing Memorandum, on or prior to the Delivery Date, including the Costs of Issuance Deposit, the Administration Fund Deposit and the Initial Collateral Fund Deposit, and any other amount set forth therein, for deposit with the Trustee and/or the title company.

Upon the deposit of money to the credit of the Bond Proceeds Fund, the Issuer shall originate the Bond Loan pursuant to the Financing Agreement and the Trustee shall make disbursements of amounts in the Bond Proceeds Fund to the Borrower or otherwise as provided under the heading “Bond Proceeds Fund,” below.

Pledge of Revenues and Assets; Establishment of Funds

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses of the Indenture shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any Person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be

subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

In addition to the Bond Proceeds Fund established under “Establishment of Bond Proceeds Fund; Application of Bond Proceeds and Other Money; Assignment of Bond Loan to Trustee,” above, the Trustee shall establish, maintain and hold in trust the following funds and accounts, each of which is established by the Indenture and each of which shall be disbursed and applied only as authorized in the Indenture:

- (a) Revenue Fund, and within the Revenue Fund, (i) a General Account, (ii) a Series A General Account, (iii) a Series B General Account, (iv) a Series A Negative Arbitrage Account, (v) a Series B Negative Arbitrage Account and (vi) a Credit Facility Account;
- (b) Bond Fund, and within the Bond Fund, a Purchased Bonds Account and a Series B Remarketing Proceeds Account;
- (c) Redemption Fund;
- (d) Administration Fund, and within the Administration Fund, a Remarketing Expense Account;
- (e) Cost of Issuance Fund;
- (f) Credit Facility Reimbursement Fund, and within the Credit Facility Reimbursement Fund, a Credit Facility Principal Reimbursement Account and a Credit Facility Interest Reimbursement Account;
- (g) Collateral Fund, and within the Collateral Fund, (i) a Series A Collateral Account and (ii) a Series B Collateral Account; and
- (h) Rebate Fund.

The funds and accounts established pursuant to this section shall be maintained in the corporate trust department of the Trustee as segregated trust accounts, separate and identifiable from all other funds held by the Trustee. The funds and accounts established under the Indenture shall bear a designation clearly indicating that the funds deposited therein are held for the benefit of (i) the Holders of the Bonds, respecting the Bond Proceeds Fund, the Revenue Fund, the Bond Fund, the Redemption Fund and the Collateral Fund, (ii) the Credit Facility Provider, respecting the Credit Facility Reimbursement Fund, (iii) the parties indicated in the Indenture, respecting the Administration Fund and the Cost of Issuance Fund, and (iv) the Issuer, respecting the Rebate Fund. The Trustee shall, at the written direction of an Authorized Officer of the Issuer, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to a deposit or use of money in the funds established under the Indenture, or result in commingling of funds not permitted under the Indenture.

Bond Proceeds Fund

Deposit. The Trustee shall deposit the proceeds of the sale of the Bonds into the Series A Bond Proceeds Account and the Series B Bond Proceeds Account as provided in the Indenture.

Transfers, Disbursements and Requisitions. The Trustee shall make disbursements from the respective accounts of the Bond Proceeds Fund for the purpose of paying Costs of the Project, subject to the limitations in the Tax Certificate and only upon satisfaction of the requirements set forth in the Indenture. The Trustee shall have no right or duty to determine whether any requested disbursement from the Bond Proceeds Fund complies with the terms, conditions and provisions of the Indenture or the Financing Agreement.

With respect to any disbursement from the Bond Proceeds Fund, upon the Trustee's receipt of (i) a completed and fully signed Requisition and (ii) Eligible Funds for deposit into the applicable Account of the Collateral Fund as provided in Indenture, and subject to the provisions of this section, the Trustee shall disburse proceeds of the Series A Bonds or Series B Bonds, as applicable, in an amount equal to such corresponding deposit made into the applicable Account of the Collateral Fund to fund Costs of the Project pursuant to such Requisition. Prior to making any such disbursement from the applicable Account of the Bond Proceeds Fund, the Trustee shall confirm that, with respect to each of the Series A Bonds and the Series B Bonds, as applicable, the aggregate principal amount that will be held in both (a) the applicable Account of the Collateral Fund and (b) the applicable Account of the Bond Proceeds Fund, after the requested disbursement, and, with respect to the Series B Bond Proceeds Account, any transfer described in the Bond Closing Memorandum, will at least equal the Outstanding principal amount of the Series A Bonds and the Series B Bonds, as applicable.

Notwithstanding anything to the contrary, the Trustee shall not disburse Bond proceeds from the Bond Proceeds Fund (other than (i) as permitted pursuant to the Bond Closing Memorandum and (ii) to pay amounts due on the Bonds in connection with a redemption pursuant to the Indenture), unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the applicable Account of the Collateral Fund; provided, however, that the Trustee shall transfer funds from the applicable Account of the Bond Proceeds Fund to the applicable Account of the Collateral Fund upon receipt of an opinion of Bond Counsel to the effect that such transfer shall not cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes. To the extent money on deposit in the applicable Account of the Bond Proceeds Fund is invested in Qualified Investments that have not yet matured, the Trustee is authorized to make the following sale and exchange, which sale and exchange shall occur prior to the disbursement of amounts on deposit in the applicable Account of the Bond Proceeds Fund to pay Costs of the Project without the need to sell or terminate such Qualified Investments prior to their stated maturity date: (i) sell all or a portion of the Qualified Investments in the applicable Account of the Bond Proceeds Fund, in the amount specified in the request for disbursement, to the applicable Account of the Collateral Fund for a price of par and (ii) transfer a like amount of available funds from the applicable Account of the Collateral Fund to the applicable Account of the Bond Proceeds Fund representing proceeds of the Series A Bonds or Series B Bonds, as applicable, as the purchase price thereof.

Upon the satisfaction of the provisions set forth in this section, the Trustee shall be irrevocably and unconditionally obligated to disburse Bond proceeds from the applicable Account of the Bond Proceeds Fund equal to the amount deposited to the applicable Account of the Collateral Fund, as set forth in the corresponding requisition, and to the extent the Trustee is unable to do so, the Trustee shall return the amount deposited into the applicable Account of the Collateral Fund, within one Business Day of receipt of such deposit, to the Eligible Funds Provider that made such deposit in connection with the applicable Requisition.

Upon final disbursement of all amounts on deposit in the Bond Proceeds Fund, including all interest accrued therein, the Trustee shall close the Bond Proceeds Fund.

Amounts on deposit in the Bond Proceeds Fund shall be invested as provided in the Indenture. All Investment Income on amounts on deposit in the [Series A Negative Arbitrage Account, the Series A Collateral Account and the Series A Bond Proceeds Account] shall be transferred to and become a part of the amounts on deposit in the Series A General Account in the Revenue Fund. All Investment Income on amounts on deposit in the Series B Bond Proceeds Account shall be transferred to and become a part of the amounts on deposit in the Series B Negative Arbitrage Account in the Revenue Fund.

Application of Revenue Fund

All Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the General Account, except (i) with respect to amounts required to be deposited in the Series A General Account or the Series B General Account as provided in the Indenture, shall be deposited the Series A General Account or the Series B General Account, as applicable, (ii) amounts paid pursuant to the Credit Facility, which shall be deposited in the Credit Facility Account; (iii) as otherwise specifically provided in the Indenture with respect to certain deposits into the Redemption Fund; (iv) with respect to Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and (v) with respect to amounts required to be transferred between funds and accounts as provided in the Indenture.

On and prior to the Conversion Date, the Trustee shall charge the Series A General Account and the Series B General Account, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date and shall cause the same to be credited to the Bond Fund and applied to the payment of such interest and principal when due on the Bonds as follows:

(i) to the extent funds in the Series A General Account are not sufficient to cover amounts due on the Series A Bonds, the Trustee shall transfer to the Series A General Account, funds from the following accounts and in the following order: the Series B Negative Arbitrage Account, the Series B Collateral Account, and the Series A Bond Proceeds Account. All Investment Income on amounts on deposit in the Series A General Account shall remain therein; and

(ii) to the extent funds in the Series B General Account are not sufficient to cover amounts due on the Series B Bonds, the Trustee shall transfer funds to the Series B General Account, funds from the following accounts and in the following order: the Series B Collateral Account, the Series B Negative Arbitrage Account, and the Series B Bond Proceeds Account. All Investment Income on amounts on deposit in the Series B General Account shall remain therein.

The Trustee shall deposit amounts set forth in the Indenture into the Series A Negative Arbitrage Account. In addition, the Trustee shall deposit any Eligible Funds made available for deposit into the Series A Negative Arbitrage Account from any other source including any Extension Deposit. The Trustee shall transfer funds in the Series A Negative Arbitrage Account to the Series A General Account as permitted in the Indenture. On the Conversion Date, any remaining funds on deposit in the Series A Negative Arbitrage Account shall be disbursed to the Borrower.

The Trustee shall deposit amounts set forth in the Indenture into the Series B Negative Arbitrage Account. In addition, the Trustee shall deposit any Eligible Funds made available for deposit into the Series B Negative Arbitrage Account from any other source including any Extension Deposit. The Trustee shall transfer funds in the Series B Negative Arbitrage Account to the Series B General Account as permitted in

the Indenture. Following the redemption of the Series B Bonds in full, any remaining funds on deposit in the Series B Negative Arbitrage Account shall be disbursed to the Borrower as provided in the Indenture. All Investment Income on amounts on deposit in the Series B Negative Arbitrage Account shall be transferred to and become a part of the amounts on deposit in the Series B General Account.

On and after the Conversion Date, on each Interest Payment Date or any other date on which payment of principal of or interest on the Series A Bonds becomes due and payable, the Trustee, out of money in the Credit Facility Account and the General Account, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Bond Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal of and interest due on the Series A Bonds on such date (excluding principal of and interest on any Purchased Bonds and excluding the principal constituting a mandatory sinking fund payment on any Series A Bonds on such date);

SECOND: to the Redemption Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal amount due and payable on the Series A Bonds with respect to mandatory sinking fund redemption (excluding principal of any Purchased Bonds) on such date;

THIRD: to the Redemption Fund from money in the Credit Facility Account of the Revenue Fund (i) amounts paid to the Trustee under the Credit Facility to be applied to the mandatory redemption of all or a portion of the Series A Bonds pursuant to the Indenture (other than a mandatory sinking fund redemption) and (ii) amounts paid to the Trustee under the Credit Facility to be applied to the optional redemption of all or a portion of the Series A Bonds pursuant to the Indenture; and

FOURTH: to the Series A Purchased Bonds Account from money in the Bond Fund, such amount as the Credit Facility Provider shall advise the Trustee is equal to the interest due on the Purchased Bonds on such date.

On and after the Conversion Date, promptly upon receipt, the Trustee shall deposit directly to the Credit Facility Reimbursement Fund (i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Loan, such amount to be applied to reimburse the Credit Facility Provider for a draw under the Credit Facility in such amount to provide for extraordinary mandatory redemption of all or a portion of the Series A Bonds pursuant to the Indenture; (ii) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the optional redemption of all or a portion of the Series A Bonds pursuant to the Indenture; and (iii) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the payment of any redemption premium in connection with an optional redemption of all or a portion of the Series A Bonds pursuant to the Indenture.

On and after the Conversion Date, should the amount in the Revenue Fund be insufficient to pay the amount due on the Series A Bonds on any given Interest Payment Date or other payment date after the transfers from the Credit Facility Account, the Trustee shall credit to the Revenue Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (1) the General Account; and (2) the Redemption Fund, except no such charge to the Redemption Fund shall be made from money to be used to effect a redemption for which notice of redemption has been provided for or from money which is held for payment of Series A Bonds which are no longer Outstanding under the Indenture.

On and after the Conversion Date, at the written direction of the Borrower, and with the written consent of the Credit Facility Provider, together with a certificate setting forth that no default exists under the Bond Loan Documents signed by the Servicer, Investment Income deposited into the General Account shall be paid to the Borrower semi-annually on the first Business Day after each Interest Payment Date, commencing with the first Interest Payment Date after the Conversion Date, so long as (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund or any Custodial Escrow Account, (ii) no default exists under the Bond Loan and (iii) no event of default exists under any of the Bond Loan Documents.

Application of Bond Fund

The Trustee shall charge the Bond Fund, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date, and shall cause the same to be applied to the payment of such interest and principal when due (excluding, after the Conversion Date, principal on any Purchased Bond). After the Conversion Date, any money remaining in the Bond Fund on any Interest Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Redemption Fund to redeem Bonds called for mandatory sinking fund redemption on such Interest Payment Date, be transferred to the Redemption Fund to be applied for such purpose. After the Conversion Date, any balance remaining in the Bond Fund on the Business Day immediately succeeding an Interest Payment Date shall be transferred to the Servicer for payment to the Credit Facility Provider to be applied in accordance with the Reimbursement Agreement.

Any Investment Income on amounts on deposit in the Bond Fund shall be deposited by the Trustee upon receipt thereof prior to the Conversion Date, in the Series A General Account in the Revenue Fund and, following the Conversion Date, in the General Account of the Revenue Fund.

The Trustee shall deposit and disburse amounts in the Series B Remarketing Proceeds Account as set forth in the Indenture.

No amount shall be charged against the Bond Fund except as expressly provided under "Application of Money After Default," below.

Application of Redemption Fund

On and after the Conversion Date, any money credited to the Redemption Fund shall be applied as set forth under "Application of Revenues," above; provided, however, that to the extent any money credited to the Redemption Fund from Eligible Funds (other than draws under the Credit Facility) is in excess of the amount necessary to effect the redemptions referred to in "Application of Revenues," above it shall be applied to make up any deficiency in the Revenue Fund on any Interest Payment Date, to the extent money then available in accordance with "Application of Revenues," above in the Series A General Account is insufficient to make up such deficiency, provided that no money to be used to effect a redemption for which a conditional notice of redemption, the conditions of which have been satisfied, or an unconditional notice of redemption has been provided or money which is held for payment of Series A Bonds which are no longer Outstanding under the Indenture shall be so transferred to the Bond Fund.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Redemption Fund shall be credited by the Trustee to the General Account in the Revenue Fund.

No amount shall be charged against the Redemption Fund except as expressly provided in the Indenture.

Administration Fund

The Trustee shall deposit into the Administration Fund, promptly upon receipt thereof, the Administration Fund Deposit, and all other amounts received from the Servicer or the Borrower designated for deposit into such fund. The Trustee shall also deposit into the Remarketing Expense Account of the Administration Fund promptly upon receipt the amount of the Remarketing Expenses associated with any remarketing of the Series B Bonds. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Trustee and used **FIRST**, to pay to the Trustee when due the Ordinary Trustee's Fees and Expenses; **SECOND**, to pay to the Issuer when due the Ordinary Issuer Fees and Expenses; **THIRD**, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Indenture and the Financing Agreement, upon receipt of an invoice from the Rebate Analyst; **FOURTH**, to deposit to any Custodial Escrow Account any deficiency in the amount held therein as certified in writing by the Servicer (or subsequent holder of such an account) to the Trustee; **FIFTH**, to pay to the Trustee any Extraordinary Trustee's Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and Freddie Mac; **SIXTH**, to pay to the Issuer when due any Extraordinary Issuer Fees and Expenses; **SEVENTH**, to pay to the Credit Facility Provider any unpaid portion of the amounts due under the Reimbursement Agreement, as certified in writing by the Credit Facility Provider to the Trustee; **EIGHTH**, to pay to the Servicer any unpaid portion of the Ordinary Servicing Fees and Expenses and any Extraordinary Servicing Fees and Expenses due and owing from time to time, as set forth in an invoice submitted to the Trustee and Freddie Mac; **NINTH**, to make up any deficiency in the Redemption Fund on any redemption date of Series A Bonds, to the extent money then available in accordance with "Application of Revenues," above in the Redemption Fund is insufficient to redeem Series A Bonds called for redemption on such redemption date; **TENTH**, to pay to the Dissemination Agent when due the Dissemination Agent's Fee; **ELEVENTH**, to pay to the Rating Agency when due the annual rating maintenance fee, if any, as set forth in an invoice submitted to the Trustee; and **TWELFTH**, to transfer any remaining balance after application as aforesaid, prior to the Conversion Date, to the Series A General Account in the Revenue Fund and, following the Conversion Date, to the General Account of the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Trustee of the amount of such deficiency. Upon payment by the Borrower of such deficiency, the amounts for which such deficiency was requested shall be paid by the Trustee.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Trustee, prior to the Conversion Date, to the Series A General Account in the Revenue Fund and, following the Conversion Date, to the General Account of the Revenue Fund.

Amounts in the Remarketing Expense Account of the Administration Fund shall be applied by the Trustee in accordance with the Indenture.

No amount shall be charged against the Administration Fund except as expressly provided in the Indenture.

Credit Facility Reimbursement Fund

On the Conversion Date, unless the Conversion Date occurs on an Interest Payment Date, the Trustee shall transfer from the Series A Collateral Account and deposit into the Credit Facility Interest

Reimbursement Account, the interest accrued on the Series A Bonds from the Interest Payment Date immediately preceding the Conversion Date through, but not including, the Conversion Date, and after the Conversion Date, the Trustee shall deposit into the Credit Facility Interest Reimbursement Account, promptly upon receipt thereof, all amounts received from the Servicer, including, but not limited to, scheduled monthly interest collections pursuant to the Reimbursement Agreement, designated for deposit into such account. Amounts on deposit in the Credit Facility Interest Reimbursement Account shall be applied by the Trustee to reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay interest on the Series A Bonds. On each Interest Payment Date following the Conversion Date, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington, D.C. time, from and to the extent of amounts on deposit in the Credit Facility Interest Reimbursement Account, an amount equal to the amount drawn by the Trustee under the Credit Facility to pay interest on the Series A Bonds on such date.

Following the Conversion Date, the Trustee shall deposit into the Credit Facility Principal Reimbursement Account, promptly upon receipt thereof, all amounts received from the Servicer designated for deposit into such account, including, but not limited to, scheduled monthly principal deposits pursuant to the Reimbursement Agreement. Amounts on deposit in the Credit Facility Principal Reimbursement Account shall be applied by the Trustee to reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay principal on the Series A Bonds. On each maturity date for the Series A Bonds and each date the Series A Bonds are subject to optional or mandatory redemption, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington, D.C. time, from and to the extent of amounts on deposit in the Credit Facility Principal Reimbursement Account, an amount equal to the principal amount drawn by the Trustee under the Credit Facility to pay or redeem Series A Bonds in Authorized Denominations on such date.

On and after the Conversion Date, in the event that the amounts on deposit in the respective accounts in the Credit Facility Reimbursement Fund are insufficient to reimburse the Credit Facility Provider (as provided in the Indenture) the full amount to be drawn under the Credit Facility to pay interest or principal on the Series A Bonds, as applicable, the Trustee shall promptly give notice to the Credit Facility Provider, the Servicer and the Borrower of such deficiency and of the amount of such deficiency.

All Investment Income on amounts on deposit in the Credit Facility Reimbursement Fund shall be retained in and credited to and become a part of the amounts on deposit in the respective accounts in such fund. Provided that (as confirmed by the Trustee with the Servicer or the Credit Facility Provider) (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund, or any Custodial Escrow Account, (ii) no event of default exists under the Bond Loan, (iii) no Event of Default exists under the Indenture or under any of the other Borrower Documents (as defined in the Reimbursement Agreement), and (iv) the Credit Facility Provider has been fully reimbursed for amounts drawn on the Credit Facility, the Trustee, without the need for any further direction, shall pay such Investment Income to the Borrower on the Interest Payment Date next succeeding receipt thereof (after making all payments specified in the Indenture).

At the written direction of the Credit Facility Provider, the amounts on deposit in the Credit Facility Reimbursement Fund shall be used by the Trustee to pay any amounts required to be paid by the Borrower under any Bond Loan Document, to pay any amounts owed to the Credit Facility Provider in connection with any loan purchased by the Credit Facility Provider and secured by the Project, or to pay any other amount agreed to in writing by the Borrower and the Credit Facility Provider; provided that the amounts on deposit in the Credit Facility Reimbursement Fund shall, upon the occurrence of an event of default under any Bond Loan Document, be used in any manner and for any purpose specified by the Credit Facility Provider.

At the written request of the Borrower, the Credit Facility Provider, in its sole and absolute discretion, may (i) consent to the release of all or a portion of the amounts on deposit in the Credit Facility Reimbursement Fund to the Borrower (in which case the Trustee shall release such amounts to the Borrower, provided that if, in the judgment of the Rebate Analyst, the amount on deposit in the Rebate Fund at such time is less than the amount required under the Indenture to be rebated to the United States Department of the Treasury, then prior to any such release to the Borrower, any amounts on deposit in the Credit Facility Reimbursement Fund (up to the amount of such deficiency) shall be transferred to the Rebate Fund) and/or (ii) reduce or no longer require deposits to the Credit Facility Reimbursement Fund.

Any amounts remaining in the Credit Facility Reimbursement Fund after payment in full of the principal of and interest on the Series A Bonds and reimbursement of the Credit Facility Provider for all amounts drawn under the Credit Facility shall be applied as provided in the Indenture.

Investment of Funds

The money held by the Trustee shall constitute trust funds for the purposes of the Indenture. Any money attributable to each of the funds and accounts under the Indenture shall be, except as otherwise expressly provided in the Indenture, invested by the Trustee, at the written direction of the Borrower (or, in the case of the Rebate Fund, subject to the Indenture), in Qualified Investments that (subject to the provisions described in this section) mature or shall be subject to redemption or withdrawal at par without penalty on or prior to the date such money is needed; provided, that all amounts on deposit in the Credit Facility Reimbursement Fund and the Credit Facility Account in the Revenue Fund shall be held uninvested or shall be invested only in Government Obligations or in Qualified Investments of the type described in the Indenture which, in any case, shall mature or be subject to redemption or withdrawal at par without penalty on or prior to the earlier of: (i) 30 days from the date of investment and (ii) the date such money is required to be applied pursuant to the provisions of the Indenture. In the absence of written direction from the Borrower, the Trustee shall invest amounts on deposit in the funds and accounts established under the Indenture in Government Obligations or in investments of the type described in subparagraph (g) of the definition of Qualified Investments which shall have the same maturity and other restrictions as set forth above. Such investments may be made through the investment or securities department of the Trustee. The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, securities authorized in the Indenture. The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in the Indenture, the interest thereon and any profit arising on the sale thereof shall be credited to the Series A General Account, prior to the Conversion Date, and to the General Account, following the Conversion Date, and any loss resulting on the sale thereof shall be charged against the applicable account. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted as an investment of money in that fund or account. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the Indenture.

Notwithstanding anything else contained in this section, with respect to the Series A Bonds, prior to the Conversion Date, at the direction of the Borrower, the Trustee is permitted to invest in Qualified Investments that mature on or before the Conversion Date Deadline but is not permitted to sell or otherwise dispose of such Qualified Investment prior to maturity at a price below par without first receiving (i) a Cash

Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection. Notwithstanding anything else contained in this section, with respect to the Series B Bonds, prior to the Initial Mandatory Tender Date, at the direction of the Borrower, the Trustee is permitted to invest in Qualified Investments that mature on or before the Initial Mandatory Tender Date but is not permitted to sell or otherwise dispose of such Qualified Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection.

Following the Delivery Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Qualified Investments with a Cash Flow Projection. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Qualified Investments purchased for the purpose of paying debt service on the Bonds shall be held uninvested and (ii) Bond proceeds and the Negative Arbitrage Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Qualified Investments. Following the Conversion Date, the delivery of a Cash Flow Projection shall not be a requirement to the purchase, sale or exchange of a Qualified Investment.

The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Issuer specifically waives compliance with 12 C.F.R. 12 and notifies the Trustee under the Indenture, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose under the Indenture the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Money Held for Particular Bonds; Funds Held in Trust

The amounts held by the Trustee for the payment of the interest, principal or redemption price due on any date with respect to particular Bonds pending such payment, shall be set aside and held in trust by it for the Holders of the Bonds entitled thereto, and for the purposes of the Indenture such interest, principal or redemption price, after the due date thereof, shall no longer be considered to be unpaid.

All money held by the Trustee for such purpose at any time pursuant to the terms of the Indenture shall be and thereby is assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of the Indenture.

Cost of Issuance Fund

The Trustee shall use money on deposit to the credit of the Cost of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter in accordance with Requisitions in the form attached to the Indenture as an exhibit signed by the Borrower [or written instructions to be given to the Trustee by the Borrower, as set forth in the Bond Closing Memorandum (and accepted and agreed to by the Borrower) on the Delivery Date], upon delivery to the Trustee of appropriate invoices for such expenses; provided that Costs of Issuance may also be disbursed by the title company in accordance with the Bond Closing Memorandum on the Delivery Date from deposits made with the title company by the Borrower. Amounts in the Cost of Issuance Fund funded with proceeds of the Bonds, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Cost of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Cost of Issuance Fund (excluding Bond proceeds) six (6) months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Trustee shall close the Cost of Issuance Fund.

Payments Under Bond Loan Following Conversion Date

The Trustee and the Issuer expressly acknowledge that, following the Conversion Date, references in the Indenture to payments or prepayments of the Bond Loan shall, for all purposes of the Indenture, refer solely to such portion of such payments or prepayments actually paid by the Credit Facility Provider to the Trustee as Guaranteed Payments pursuant to the Credit Facility for which the Borrower has correspondingly reimbursed the Credit Facility Provider in an amount equal to the Guaranteed Payments. Without in any way limiting the foregoing, the Trustee and the Issuer acknowledge under the Indenture that, pursuant to the Guide, following the Conversion Date, the Servicer will pay the Freddie Mac Credit Enhancement Fee and the Ordinary Servicing Fees and Expenses from payments under the Bond Loan made by the Borrower prior to remitting the balance of such payments or prepayments to the Trustee for application as provided in the Indenture.

Collateral Fund

Prior to the release of any amounts in the Bond Proceeds Fund, the Trustee shall deposit into the applicable Account of the Collateral Fund, all Eligible Funds received pursuant to the Indenture designated for deposit into the applicable Account of the Collateral Fund and any other Eligible Funds received by the Trustee for deposit into the applicable Account of the Collateral Fund. Except (i) as described in the Bond Closing Memorandum and permitted under the Indenture, the Borrower is required to cause Eligible Funds to be paid to the Trustee for deposit into the applicable Account of the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the corresponding amount from the applicable Bond Proceeds Fund to be disbursed by the Trustee to pay Costs of the Project.

Subject to the provisions of the Indenture, (i) each deposit into the Series A Collateral Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series A Bonds, and (ii) each deposit into the Series B Collateral Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series B Bonds.

With respect to the Series A Bonds, prior to the Conversion Date, money in the Series A Collateral Account shall be transferred by the Trustee (to the extent money is not otherwise available) to the Series A General Account in the Revenue Fund as provided in the Indenture, in an amount, together with other available funds, necessary to pay amounts due on the Series A Bonds, including any applicable redemption pursuant to the Indenture. On the Conversion Date, unless the Conversion Date occurs on an Interest Payment Date, the Trustee shall transfer from the Series A Collateral Account and deposit into the Credit Facility Interest Reimbursement Account, the interest accrued on the Series A Bonds from the Interest Payment Date immediately preceding the Conversion Date through, but not including, the Conversion Date. With respect to the Series A Bonds, on the Conversion Date, upon delivery of the Credit Facility and after making the transfer required to the Credit Facility Interest Reimbursement Account, the Trustee is authorized to release an amount from the Series A Collateral Account as set forth in the Indenture.

With respect to the Series B Bonds, money in the Series B Collateral Account shall be transferred by the Trustee (to the extent money is not otherwise available) to the Series B General Account in the Revenue Fund as provided in the Indenture, in an amount, together with other available funds, necessary to pay amounts due on the Series B Bonds including any applicable redemption pursuant to the Indenture.

Prior to the Conversion Date, the Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the applicable account of the Collateral Fund is transferred to the applicable account of the Revenue Fund and applied to the payment of the principal of any of the Bonds, or the principal component of the redemption price of any of the Bonds, all as provided in the Indenture.

Notwithstanding anything in the Indenture to the contrary, on the Delivery Date, the Trustee is authorized to transfer amounts described in the Bond Closing Memorandum, if any, without a corresponding deposit of Eligible Funds into the Collateral Fund.

Draws Under Credit Facility

Following the Conversion Date, the Credit Facility shall be held by the Trustee and drawn upon in accordance with its terms and the provisions of the Indenture. Money derived from draws upon the Credit Facility shall be deposited in the Credit Facility Account and applied by the Trustee to pay the principal of and interest on the Series A Bonds, and, in the event of a purchase of the Series A Bonds in lieu of redemption pursuant to the Indenture, to pay, to the extent provided in the Credit Facility, the Purchase Price of the Series A Bonds in accordance with the Indenture.

Following the Conversion Date, the Trustee shall draw money under the Credit Facility in accordance with the terms thereof when needed and in amounts sufficient to make timely payments of the principal of and interest, but not premium, on the Series A Bonds when due and payable (i.e., on any Interest Payment Date or any Settlement Date).

Should the Credit Facility Provider become the owner of the Project by foreclosure or otherwise, the Trustee shall nevertheless continue to make payments on the Series A Bonds only from draws on the Credit Facility or from other Eligible Funds.

The Trustee shall send to the Borrower via Electronic Notice a copy of any documents which are presented to the Credit Facility Provider in connection with a drawing on the Credit Facility concurrently with its submission of those documents to the Credit Facility Provider, if requested to do so by the Borrower.

Payment of Principal and Interest

Each and every covenant made in the Indenture is predicated upon the condition that the Bonds are special limited obligations of the Issuer payable solely from and secured by the Trust Estate pledged therefor. Nothing in the Bonds or in the Indenture shall be construed as pledging any other funds or assets of the Issuer.

The Issuer covenants that it will promptly cause the Trustee to pay, as provided in the Indenture, the principal of and interest on the Bonds when due solely from the Trust Estate at the place, on the date and in the manner provided in the Indenture and in the Bonds.

Performance of Covenants

The Issuer covenants that it will faithfully perform at all times any and all of its covenants and undertakings contained in the Indenture, and in any and every Bond executed, authenticated and delivered thereunder; subject, however to the limitations set forth therein. The Issuer represents that it is duly authorized under the laws of the State to issue the Bonds, to enter into the Indenture and the Financing Agreement and to assign the Revenues, and that upon issuance, authentication, and delivery, the Bonds are and will be valid and enforceable special limited obligations of the Issuer according to the import thereof.

No Modification of Security; Additional Indebtedness

The Issuer covenants that it will not, without the written consent of the Trustee and the Credit Facility Provider, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which the Issuer is a party, or which has been assigned to the Issuer, and which relates to or affects the

security for the Bonds or, following the Conversion Date, the payment of any amount owed to the Credit Facility Provider. The Issuer further covenants not to create any lien upon the Trust Estate or any part thereof other than the lien created by the Indenture and, following the Conversion Date, by the Bond Mortgage and the Reimbursement Mortgage without the prior written consent of the Credit Facility Provider.

Events of Default

Each of the following shall be an event of default with respect to the Bonds (an “Event of Default”) under the Indenture:

(a) failure to pay the principal of, premium, if any, or interest on any Bond (other than Purchased Bonds) when due, whether on an Interest Payment Date, at the stated maturity thereof, by proceedings for redemption thereof, by acceleration or otherwise; or

(b) following the Conversion Date, failure by the Credit Facility Provider to make when due a required payment under the Credit Facility; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Issuer (other than those set forth in the Indenture) set forth in the Indenture or in the Bonds and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified in the Indenture for particular defaults) after written notice thereof (which notice shall be effective only with the written consent of the Credit Facility Provider (following the Conversion Date) if no Event of Default has occurred and is then continuing under subsection (b) above) to the Issuer from the Trustee or the Holders of more than 51% of the aggregate principal amount of the applicable Bonds then Outstanding at such time specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Issuer commences the required cure within such thirty (30) day period and continues the cure with diligence and the Issuer reasonably anticipates that the default could be cured within ninety (90) days, the Issuer shall have ninety (90) days following receipt of such notice to effect the cure.

The Trustee and the Issuer agree that, notwithstanding the provisions of the Indenture, no default under the terms of the Indenture shall be construed as resulting in a default under the Bond Note, the Bond Mortgage or any other Bond Loan Document, unless such event also constitutes an event of default thereunder.

The Trustee will immediately notify the Issuer, the Borrower, the Investor Member, the Servicer and the Credit Facility Provider after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

Acceleration; Other Remedies Upon Event of Default

Upon the occurrence of an Event of Default as described in subsection (b) under the heading “Events of Default” above, the Trustee shall, upon the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding and receipt of indemnity satisfactory to it, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

Upon the occurrence of an Event of Default (other than an Event of Default under subsection (b) under the heading “Events of Default” above), the Trustee may, or prior to Conversion shall at the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding, or following the Conversion Date shall but only upon receipt from the Credit Facility Provider of a notice directing such acceleration (which notice may be given in the sole discretion of the Credit Facility Provider), by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable and, following the Conversion Date, upon the Credit Facility Provider’s having honored a properly presented and conforming draw under the Credit Facility to pay such amounts, interest on the Series A Bonds shall cease to accrue, anything contained in the Indenture or in the Series A Bonds to the contrary notwithstanding.

Prior to the Conversion Date, the payment on the Bonds resulting from a declaration of acceleration on the Bonds as the result of the occurrence of an Event of Default under subsections (a) or (c) under the heading “Events of Default” above shall be made from the applicable accounts of the Revenue Fund, the Bond Proceeds Fund and the Collateral Fund.

Following the Conversion Date, the payment on the Series A Bonds resulting from a declaration of acceleration on the Series A Bonds as the result of the occurrence of an Event of Default under subsections (a) or (c) under the heading “Events of Default” above shall be made from the Credit Facility.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower or the Credit Facility Provider, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) upon all the Bonds then due, with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Trustee (including its counsel) shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Reimbursement Agreement (including, without limitation, with respect to the Credit Facility Provider all outstanding amounts owed to the Credit Facility Provider and all fees owed to the Credit Facility Provider) (collectively, the “Cure Amount”) shall have been paid in full, and all other defaults under the Indenture shall have been made good or cured or waived in writing by the Credit Facility Provider (or, if an Event of Default under subsection (b) under the heading “Events of Default” above has occurred and is then continuing, by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding), then and in every case, the Trustee on behalf of the Holders of all the Outstanding Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon. Notwithstanding the provisions described above in this paragraph, in the event the Cure Amount is derived in whole or in part from a draw on the Credit Facility, any such rescission or annulment of such declaration of acceleration shall not occur without the written consent of the Credit Facility Provider.

Upon the occurrence and during the continuance of an Event of Default, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Bonds with respect to which such an Event of Default has occurred and of the Credit Facility Provider (if no Event of Default has occurred and is continuing under subsection (b) under the heading “Events of Default” above), may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the Holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights; provided that following the Conversion Date, so long as no Event of Default has occurred and is then continuing under subsection (b) under the heading “Events of Default” above, the

Trustee may undertake any such remedy only upon the receipt of the prior written consent of the Credit Facility Provider (which consent may be given in the sole discretion of the Credit Facility Provider):

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, premium, if any, or interest on the Bonds then Outstanding and to require the Issuer or the Credit Facility Provider to carry out any covenants or agreements with or for the benefit of the Bondholders and to perform its duties under the Act, the Indenture, the Financing Agreement, the Regulatory Agreement or the Credit Facility (as applicable) to the extent permitted under the applicable provisions thereof;

(ii) by pursuing any available remedies under the Financing Agreement, the Regulatory Agreement, the Credit Facility or any other Bond Financing Document;

(iii) by realizing or causing to be realized through sale or otherwise upon the security pledged under the Indenture; and

(iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Holders of the Bonds and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Credit Facility Provider or the Bondholders under the Indenture or under the Financing Agreement, the Regulatory Agreement, the Credit Facility, the Reimbursement Agreement or any other Bond Financing Document, as applicable, or now or thereafter existing at or after the time of execution of the Indenture at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default under the Indenture, whether by the Trustee, the Credit Facility Provider or the Bondholders, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

In all events the rights of the Trustee to exercise remedies under the Indenture upon the occurrence of an Event of Default shall be subject to the provisions of the Intercreditor Agreement.

Rights of Bondholders

Prior to the Conversion Date, if an Event of Default under either subsections (a) or (c) under the heading "Events of Default" above shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interest of the affected Bondholders. Prior to the Conversion Date, if an Event of Default under either subsections (a) or (c) under the heading "Events of Default" above shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of the Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of

conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings thereunder, in accordance with the provisions of law and of the Indenture.

Following the Conversion Date, if an Event of Default under subsection (b) under the heading “Events of Default” above shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interest of the affected Bondholders. If an Event of Default under subsection (b) under the heading “Events of Default” above shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of the Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture, in accordance with the provisions of law and of the Indenture.

Application of Money After Default

All money (other than amounts drawn from the Credit Facility as described in the Indenture) collected by the Trustee at any time pursuant to the Indenture shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee, prior to the Conversion Date, to the Series A General Account and Series B General Account and, following the Conversion Date, to the General Account, each in the Revenue Fund. Such money so credited to such accounts and all other money from time to time credited to such accounts in the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of the Indenture.

In the event that at any time the money credited to the Revenue Fund and the Redemption Fund available for the payment of interest or principal then due with respect to the Bonds shall be insufficient for such payment, such money (other than money held for the payment or redemption of particular Bonds as provided in the Indenture and amounts drawn from the Credit Facility as provided in the Indenture) shall be applied as provided in the Indenture.

Rights of the Credit Facility Provider

Following the Conversion Date, if an Event of Default under subsections (a) or (c) under the heading “Events of Default” above shall have occurred and so long as no Event of Default has occurred and is then continuing under subsection (b) under the heading “Events of Default” above, upon receipt of the written direction of the Credit Facility Provider (which direction may be given in the sole discretion of the Credit Facility Provider), the Trustee shall be obligated to exercise any right or power conferred by the Indenture in the manner set forth in such written direction of the Credit Facility Provider. If such written direction expressly states that the Trustee may exercise one or more of the rights and powers conferred in the Indenture as the Trustee shall deem to be in the interest of the Holders of the Series A Bonds and the Credit Facility Provider, the Trustee, being advised by counsel or a committee of Responsible Officers, shall exercise one or more of such rights and powers as the Trustee, being advised by counsel or a committee of Responsible Officers, shall deem to be in the best interests of the Holders of the Series A Bonds and the Credit Facility Provider; provided, however, that in any event, so long as no Event of Default has occurred and is then continuing under subsection (b) under the heading “Events of Default” above, the Trustee may not undertake any action to realize, through sale or otherwise, upon the Bond Loan without the express written direction of the Credit Facility Provider. So long as no Event of Default has occurred and is then

continuing under subsection (b) under the heading “Events of Default” above, in the case of an Event of Default under subsections (a) or (c) under the heading “Events of Default” above, the Credit Facility Provider shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture, in accordance with the provisions of law and of the Indenture.

Remedies of Bondholders

No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless (a) a default shall have occurred of which the Trustee shall have been notified as provided in the Indenture; (b) if following the Conversion Date, such default shall have become an Event of Default under subsection (b) under the heading “Events of Default” above; (c) the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which there is such an Event of Default shall have made written request to the Trustee and shall have offered reasonable opportunity to the Trustee either to proceed to exercise the powers granted pursuant to the Indenture or to institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee indemnity as provided in the Indenture; and (e) the Trustee shall within sixty (60) days thereafter fail or refuse to exercise the powers granted pursuant to the Indenture, or to institute such action, suit or proceeding; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture or the rights of any other Holders of Bonds or to obtain priority or preference over any other Holders or to enforce any right under the Indenture, except in the manner provided in the Indenture with respect to the equal and ratable benefit of all Holders of Bonds with respect to which there is a default. Nothing contained in the Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued under the Indenture to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed in the Indenture and in said Bonds.

Waivers of Events of Default

Prior to the Conversion Date, the Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds only at the written request of 51% of the Holders of the then Outstanding principal amount of Bonds. Following the Conversion Date, so long as no Event of Default has occurred and is then continuing under subsection (b) under the heading “Events of Default” above, the Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds only upon the written direction of the Credit Facility Provider. If there shall have occurred and is then continuing an Event of Default under subsection (b) under the heading “Events of Default” above, the Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the Holders of 100% of the Bonds then Outstanding with respect to which there is a default; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of any Bonds (other than Purchased Bonds) at the date of maturity specified therein, or upon proceedings for mandatory redemption of any Bonds (other than Purchased Bonds), (b) any default in the payment when due of the interest or premium on any such Bonds (other than Purchased Bonds), unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the

stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Credit Facility Provider and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Supplemental Indentures Not Requiring Consent of Bondholders

The Issuer and the Trustee may from time to time and at any time, without the consent of, or notice to, any of the Bondholders, but with the prior written consent of the Credit Facility Provider if after the Conversion Date, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes: (a) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture in a manner not materially adverse to the Holder of any Bond to be Outstanding after the effective date of the change; (b) to grant to or confer upon the Trustee for the benefit of the Holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted or conferred and that are not contrary to or inconsistent with the Indenture or the rights of the Trustee under the Indenture as theretofore in effect; (c) to subject to the lien and pledge of the Indenture additional revenues, properties or collateral; (d) to modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute in effect after the Indenture or to permit the qualification of the Bonds for sale under any state blue sky laws; (e) to make such additions, deletions or modifications as may be, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Facility Provider, necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds; (f) to modify, amend or supplement the Indenture as required by the Rating Agency to obtain or maintain a rating or ratings for the Bonds, except no change may be made that will materially adversely affect the interests of the Holders of the Bonds to be Outstanding after the effective date of the change; (g) to implement or modify any secondary market disclosure requirements; and (h) to modify, amend or supplement the Indenture in any other respect which is not materially adverse to the Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in the Indenture.

Supplemental Indentures Requiring Consent of Bondholders

With the prior written consent of the Credit Facility Provider, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding shall have the right (provided that, following the Conversion Date, the exercise of such right shall require the prior written consent of the Credit Facility Provider), from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture not described under the heading "Supplemental Indentures Not Requiring Consent of Bondholders" above; provided, however, that nothing as described in the Indenture shall permit, or be construed as permitting, (a) an extension of the time for payment of, or an extension of the stated maturity or reduction in the principal amount or reduction in the rate of interest on or extension of the time of payment, of interest on, or reduction of any premium payable on the redemption of, any Bonds, or a reduction in the Borrower's obligation on the Bond Note, without the consent of the Holders of all of the Bonds then Outstanding, (b) the creation of any lien prior to or on a parity with the lien of the Indenture, (c) a reduction in the aforesaid percentage of the principal amount of Bonds which is required in connection with the giving of consent to any such supplemental indenture, without the consent of the Holders of all of the Bonds then Outstanding, (d) the modification of the rights, duties or immunities

of the Trustee, without the written consent of the Trustee, (e) a privilege or priority of any Bond over any other Bonds, or (f) any action that results in the interest on the Bonds becoming included in gross income for federal income tax purposes.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all registered Bondholders and to the Credit Facility Provider. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders.

Thirty (30) days after the date of the mailing of such notice, the Issuer and the Trustee may enter into such supplemental indenture substantially in the form described in such notice, but only if there shall have first been or is simultaneously delivered to the Trustee the required consents, in writing, of the Credit Facility Provider and the Holders of not less than the percentage of Bonds required by this section. If the Holders of not less than the percentage of Bonds required by this section shall have consented to and approved the execution and delivery of a supplemental indenture as provided therein, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this section permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of the Indenture.

Anything in the Indenture to the contrary notwithstanding, unless the Borrower shall then be in default of any of its obligations under the Financing Agreement, the Reimbursement Agreement, the Regulatory Agreement, the Bond Note, the Bond Mortgage or the Reimbursement Mortgage, a supplemental indenture under the Indenture which affects any rights of the Borrower shall not become effective unless and until the Borrower shall have expressly consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Borrower or the Borrower's attorney at least fifteen (15) days prior to the proposed date of execution and delivery of any supplemental indenture.

Notwithstanding any other provision of the Indenture, the Issuer and the Trustee may consent to any supplemental indenture upon receipt of the consent of the Credit Facility Provider, the Holders of all Bonds then Outstanding and, as applicable, the Borrower.

Amendments to Financing Agreement Not Requiring Consent of Bondholders

The Trustee shall, without the consent of, or notice to, the Bondholders, but with the consent of the Borrower and the Credit Facility Provider (if following the Conversion Date), consent to any amendment, change or modification of the Financing Agreement as follows: (a) as may be required by the provisions of the Credit Facility, the Financing Agreement or the Indenture; (b) to cure any formal defect, omission, inconsistency or ambiguity in the Financing Agreement in a manner not materially adverse to the Holder of any Bond to be Outstanding after the effective date of the change; (c) to make such additions, deletions or modifications as may be necessary, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Facility Provider, to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds; (d) to modify, amend or supplement the Financing Agreement as required by the Rating Agency to obtain or maintain a rating or ratings for the Bonds, except no change may be

made that will materially adversely affect the interests of the Holders of the Bonds to be Outstanding after the effective date of the change; or (e) to modify, amend or supplement the Financing Agreement in any other respect which is not materially adverse to the Trustee or Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in the Indenture.

Amendments to Financing Agreement Requiring Consent of Bondholders

Except for the amendments, changes or modifications of the Financing Agreement as provided in the Indenture, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Financing Agreement without the consent of the Credit Facility Provider (if following the Conversion Date) and the Borrower, and without the giving of notice and the written approval or consent of the Holders of at least 51% of the aggregate principal amount of the Bonds then Outstanding given and procured in accordance with the procedure set forth in the Indenture; provided, however, that nothing contained in the Indenture shall permit, or be construed as permitting, any amendment, change or modification of the Borrower's obligation to make the payments required under the Financing Agreement without the consent of the Holders of all of the Bonds then Outstanding. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Agreement, the Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided in the Indenture. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by Bondholders.

Amendments to the Credit Facility

The Trustee may, without the consent of, or notice to, any of the Bondholders enter into any amendment, change or modification of the Credit Facility (a) as may be required by the provisions of the Credit Facility, (b) to cure any formal defect, omission, inconsistency or ambiguity in the Credit Facility, (c) in a manner which is not prejudicial to the interests of the Bondholders as determined by the Trustee being advised by counsel, a committee of Responsible Officers or by a written confirmation from the Rating Agency of the then existing rating on the Bonds, or (d) as required by the Rating Agency to maintain the then current rating on the Bonds.

Discharge of Lien

If the Issuer shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and in the Indenture, in any one or more of the following ways:

- (a) by the payment of the principal of (including redemption premium, if any) and interest on all Bonds outstanding; or
- (b) by the deposit or credit to the account of the Trustee, in trust, of money or securities in the necessary amount (as provided in the Indenture) to pay the principal, redemption price and interest to the date established for redemption whether by redemption or otherwise; or
- (c) by the delivery to the Trustee, for cancellation by it, of all Bonds Outstanding;

and shall have paid all amounts due and owing to the Credit Facility Provider under the Indenture and under the Credit Facility and the Reimbursement Agreement (if following the Conversion Date), including but not limited to the Freddie Mac Reimbursement Amount and the Freddie Mac Credit

Enhancement Fee, and shall have paid all fees and expenses of and any other amounts due to the Issuer, the Trustee, the Servicer, the Dissemination Agent, the Rebate Analyst, the Remarketing Agent and the Paying Agent, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in the Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estates and rights granted by the Indenture shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien of the Indenture, and reconvey to the Issuer the estate conveyed by the Indenture, and assign and deliver to the Issuer any interest in property at the time subject to the lien of the Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds, the payment of any amounts owed to the United States of America pursuant to the Indenture or the payment of any amounts payable to the Credit Facility Provider.

Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the paragraph above if, under circumstances which do not cause interest on the Bonds to become included in the Holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled: (a) in case such Bond is to be redeemed on any date prior to its maturity, the Trustee shall have given to the Bondholder irrevocable notice of redemption of such Bond on said date; (b) there shall be on deposit with the Trustee, pursuant to the Indenture, either money or direct obligations of the United States of America in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal or redemption price, if applicable, and interest due and to become due on such Bond on the redemption date or maturity date thereof, as the case may be; (c) in the case of Bonds which do not mature or will not be redeemed within 60 days of such deposit, the Trustee shall have received a verification report of a firm of certified public accountants reasonably acceptable to the Trustee as to the adequacy of the amounts so deposited to fully pay the Bonds deemed to be paid; (d) the Trustee shall have received an opinion of nationally recognized bankruptcy counsel, if required by subpart (e) of the definition of "Eligible Funds" in the Indenture, to the effect that such money constitutes Eligible Funds; (e) the Trustee shall have received a written statement from the Issuer stating that all amounts owed to the Issuer in respect of Unassigned Rights have been fully paid (it being understood that certain rights of the Issuer will survive the defeasance of the Bonds); and (f) the Trustee shall have received an opinion of Bond Counsel to the effect that the defeasance of the Bonds is in accordance with the provisions of the Indenture and that such defeasance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

The Trustee shall in no event cause the Bonds to be optionally redeemed from money deposited pursuant to the Indenture unless the requirements of the Indenture have been met with respect to such redemption, including the requirements of the Indenture.

Discharge of Liability on Bonds

Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Indenture) to pay or redeem Outstanding Bonds (whether upon or prior to their maturity or the redemption date of such Bonds) provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, all liability of the Issuer in respect of such Bonds shall cease, terminate and be completely discharged, except only that thereafter the holders thereof shall be entitled to payment by the Issuer, and the Issuer shall remain liable for such payment, but only out of the money or securities deposited with the Trustee as provided in the Indenture for their payment, subject, however, to the provisions of the Indenture.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a brief summary of certain provisions of the Financing Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Financing Agreement, copies of which are on file with the Trustee.

All words and phrases (except for Event of Default) defined in the Indenture shall have the same meanings for the purposes of the Financing Agreement.

Terms of the Bond Loan; Servicing

The Bond Loan shall (i) be evidenced by the Bond Note; (ii) be secured by amounts held in certain funds and accounts maintained by the Trustee in accordance with the Indenture and, in addition, on and following the Conversion Date, by the Credit Facility and the Bond Mortgage; (iii) be in the aggregate principal amount of \$ _____*; (iv) bear interest as provided in the Bond Note; (v) provide for principal and interest payments and payments of purchase price in accordance with the Bond Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided in the Financing Agreement and in the Bond Note.

From and after the Conversion Date, the Servicer shall service the Bond Loan pursuant to the Forward Commitment and the *Guide*. The Issuer, the Trustee and the Borrower acknowledge and agree that (i) selection or removal of any Servicer is in the sole and absolute discretion of the Credit Facility Provider; (ii) neither the Issuer nor the Trustee shall terminate or attempt to terminate any Servicer as the servicer for the Bond Loan or appoint or attempt to appoint a substitute servicer for the Bond Loan; (iii) the Forward Commitment and the *Guide* are each subject to amendment without the consent of the Trustee, the Issuer or the Borrower; and (iv) none of the Trustee, the Issuer or the Borrower shall have any rights under, or be a third party beneficiary of, the *Guide*. From and after the Conversion Date, the Servicer shall have the right to collect all payments made by the Borrower in connection with the Bond Loan and to receive copies of all reports and notices provided for by the Bond Financing Documents.

Assignment to Trustee

The parties to the Financing Agreement acknowledge, and the Borrower consents to, the assignment by the Issuer to the Trustee pursuant to the Indenture of all of the Issuer's right, title and interest in the Financing Agreement (excluding the Unassigned Rights), the Bond Loan, the Revenues and, on and after the Conversion Date, the Bond Mortgage, and the Credit Facility as security for the payment of the principal of, premium, if any, and interest on the Bonds and the payment of the Freddie Mac Credit Enhancement Fee and Freddie Mac Reimbursement Amount.

Payments Under the Bond Note; Independent Obligation of Borrower

The Borrower agrees to repay the Bond Loan as provided in the Bond Note, and in all instances at the times and in the amounts necessary to enable the Trustee, on behalf of the Issuer, to pay all amounts payable with respect to the Bonds, when due, whether at maturity or upon redemption (with premium, if applicable), mandatory tender, acceleration or otherwise. The obligation of the Borrower to make the payments set forth in the Financing Agreement shall be an independent and separate obligation of the Borrower from its obligation to make payments under the Bond Note, provided that in all events payments

* Preliminary; subject to change.

made by the Borrower under and pursuant to the Bond Note shall be credited against the Borrower's obligations under the Financing Agreement on a dollar for dollar basis. If for any reason the Bond Note or any provision of the Bond Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Bond Note or such provision of the Bond Note shall be deemed to be the obligation of the Borrower pursuant to the Financing Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of the Financing Agreement and shall not serve to discharge any of the Borrower's payment obligations under the Financing Agreement or eliminate the credit against such obligations to the extent of payments made under the Bond Note.

The Borrower acknowledges and agrees that, following the Conversion Date, the Servicer may collect monthly payments from the Borrower with respect to the Bond Loan in accordance with the Reimbursement Agreement, but such payments shall not be credited against the principal or interest due with respect to the Bond Loan or the Bond Note until and only to the extent such amounts are used to reimburse the Credit Facility Provider for amounts paid under the Credit Facility to pay principal of or interest on the Bonds.

Payment of Certain Fees and Expenses Under the Bond Note

In addition to the payments set forth in the Financing Agreement, payments to be made by the Borrower under the Bond Note include certain money to be paid in respect of, among others, the Ordinary Trustee's Fees and Expenses, the Issuer Fees and Expenses, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, any Extraordinary Trustee's Fees and Expenses, any annual rating maintenance fees of the Rating Agency and amounts required to be deposited in any Custodial Escrow Account pursuant to the Bond Loan Documents, as set forth in the Financing Agreement. To the extent that any portion of the Ordinary Trustee's Fees and Expenses, the Issuer Fees and Expenses, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, any Extraordinary Trustee's Fees and Expenses, any annual rating maintenance fees of the Rating Agency and amounts required to be deposited in a Custodial Escrow Account remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in the Indenture or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in the Financing Agreement.

Prepayment of Bond Loan

The Borrower shall have the option to prepay the Bond Loan in full or in part prior to the payment and discharge of all the outstanding Bonds in accordance with the provisions of the Indenture, the Financing Agreement and the Bond Note, and, following the Conversion Date, only with the prior written consent of the Credit Facility Provider and the payment of any amount due under the next succeeding paragraph. The Borrower shall be required to prepay the Bond Loan in each case that the Bonds are required to be redeemed in accordance with the terms and conditions set forth in the Indenture.

The Bonds are subject to redemption in accordance with the terms and conditions set forth in the Indenture. In connection with any prepayment, whether optional or mandatory, in addition to all other payments required under the Bond Note, the Borrower shall pay, or cause to be paid to the Servicer (from and after the Conversion Date) or other party (from and after the Conversion Date) as directed by the Credit Facility Provider (or, if no Credit Facility is then in effect, to the Trustee), an amount sufficient to pay the redemption price of the Bonds to be redeemed, including principal, interest and premium (if any), such premium to be paid with Eligible Funds not consisting of funds drawn under the Credit Facility (if after Conversion), and further including any interest to accrue with respect to the Bond Loan and such Bonds between the prepayment date and the redemption date, together with a sum sufficient to pay all fees, costs

and expenses in connection with such redemption and, in the case of redemption in whole, to pay all other amounts payable under the Financing Agreement, the Indenture and the Reimbursement Agreement.

The Borrower shall provide notice of the prepayment to the Issuer, the Trustee, and after the Conversion Date, to the Credit Facility Provider and the Servicer in writing forty-five (45) days, or such shorter time as is possible in the case of mandatory prepayments of the Bonds, prior to the date on which the Borrower will make the prepayment. Each such notice shall state, to the extent such information is available, (a) the amount to be prepaid, (b) the date on which the prepayment will be made by the Borrower, and (c) the cause for the prepayment, if any.

Borrower's Obligations Upon Redemption

In the event of any redemption of the Bonds under the Indenture, the Borrower will timely pay, or cause to be paid through the Servicer after the Conversion Date, to the Trustee an amount equal to the principal amount of such Bonds or portions thereof called for redemption, together with interest accrued to the redemption date and premium, if any, such premium to be paid with Eligible Funds not consisting of funds drawn under the Credit Facility. In addition, the Borrower will timely pay all fees, costs and expenses associated with any redemption of Bonds.

Performance of Obligations

The Borrower shall keep and faithfully perform all of its covenants and undertakings contained in the Financing Agreement and in the Bond Financing Documents, including, without limitation, its obligations to make all payments set forth in the Financing Agreement and therein in the amounts, at the times and in the manner set forth in the Financing Agreement and therein.

Indenture Provisions

The execution of the Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower. Whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower shall carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

No Alternate Credit Facility

The Borrower shall not be permitted to replace the Credit Facility for the Bonds.

Sale or Other Transfer of Project

Subject to the Intercreditor Agreement, the Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Bond Loan Documents and upon receipt of the prior written consent of the Issuer and the Credit Facility Provider.

Right to Perform Borrower's Obligations

In the event the Borrower fails to perform any of its obligations under the Financing Agreement, the Issuer, the Trustee and/or the Servicer (from and after the Conversion Date), after giving requisite notice, if any, and subject to the Intercreditor Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Trustee or the Servicer (from and after the Conversion Date) shall become an additional obligation of the Borrower

under the Financing Agreement, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Bond Loan Documents.

Limitation With Respect to the Credit Facility Provider

Notwithstanding anything in the Financing Agreement to the contrary, in the event that the Credit Facility Provider shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Bond Loan, the Credit Facility Provider shall not be liable for any breach or default of any prior owner of the Project under the Financing Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Credit Facility Provider is the owner of the Project. Accordingly, during any period that the Credit Facility Provider owns the Project and that the Financing Agreement is applicable to the Credit Facility Provider, the Credit Facility Provider's obligations under the Financing Agreement shall be limited to acts and omissions of the Credit Facility Provider occurring during the period of the Credit Facility Provider's ownership of the Project.

Events of Default

The following shall be "Events of Default" under the Financing Agreement and the term "Event of Default" shall mean, whenever it is used in the Financing Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Bond Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Issuer for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under the Financing Agreement, the Bond Note or the Bond Mortgage at the times and in the amounts required by the Financing Agreement, the Bond Note and the Bond Mortgage, as applicable;

(c) The Borrower's failure to observe and perform any of its other covenants, conditions or agreements contained in the Financing Agreement, other than as referred to in clause (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given by the Issuer, the Credit Facility Provider (after Conversion) or the Trustee to the Borrower; provided, however, that if the failure shall be such that it can be corrected but not within such period, the Issuer, the Credit Facility Provider (after Conversion) and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected; or

(d) After the Conversion Date, the occurrence of an event of default (after expiration of any notice and cure period, if applicable) under the Reimbursement Agreement shall at the discretion of the Credit Facility Provider constitute an Event of Default under the Financing Agreement but only if the Trustee and the Issuer are provided written notice thereof by the Credit Facility Provider that an Event of Default has occurred under the Reimbursement Agreement and the Trustee and the Issuer are instructed by the Credit Facility Provider that such default constitutes an Event of Default under the Financing Agreement. The occurrence of an Event of Default under the Financing Agreement shall in the discretion of the Credit Facility Provider constitute a default under the Bond Loan Documents and the Reimbursement Agreement

Nothing contained under this heading is intended to amend or modify any of the provisions of the Bond Financing Documents or to bind the Issuer, the Trustee, the Servicer or the Credit Facility Provider to any notice and cure periods other than as expressly set forth in the Bond Financing Documents.

Remedies on Default

Subject to the provisions of the Financing Agreement and, following the Conversion Date, provisions of the Intercreditor Agreement, whenever any Event of Default under the Financing Agreement shall have occurred and be continuing, the Trustee or the Issuer where so provided may take any one or more of the following remedial steps:

(a) The Issuer shall cooperate with the Trustee as the Trustee acts pursuant to the Indenture.

(b) In the event any of the Bonds shall at the time be Outstanding and not paid and discharged in accordance with the provisions of the Indenture, the Issuer or the Trustee may have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(c) The Issuer or the Trustee may, without being required to give any notice (other than to the Issuer or the Trustee, as applicable), except as provided in the Financing Agreement, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(d) The Issuer or Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments due under the Financing Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Financing Agreement.

Any amounts collected pursuant to the Financing Agreement and any other amounts which would be applicable to payment of principal of, interest and any premium (if any) on the Bonds collected pursuant to action taken under the Financing Agreement shall be applied in accordance with the provisions of the Indenture.

The provisions of this section of the Financing Agreement are subject to the further limitation that if, after any Event of Default under the Financing Agreement all amounts which would then be payable under the Financing Agreement by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and the Borrower shall have also performed all other obligations in respect of which it is then in default under the Financing Agreement, and shall have paid the reasonable charges and expenses of the Issuer, the Trustee, and following the Conversion Date, the Servicer and the Credit Facility Provider, including reasonable attorneys' fees paid or incurred in connection with such default, and shall have paid all amounts then due to the Credit Facility Provider, including, but not limited to, any Freddie Mac Reimbursement Amounts and Freddie Mac Credit Enhancement Fees, and if there shall then be no default existing under the Indenture, then and in every such case such Event of Default under the Financing Agreement shall be waived and annulled, but no such waiver or annulment shall affect any subsequent or other Event of Default or impair any right consequent thereon.

No Remedy Exclusive

No remedy conferred upon or reserved to the Issuer or the Trustee by the Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Financing Agreement or existing at or after the time of execution of the Financing Agreement at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in the Financing Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required by the Financing Agreement.

Rights of Credit Facility Provider

Notwithstanding anything in the Financing Agreement to the contrary, following the Conversion Date, as long as a Wrongful Dishonor (as defined in the Financing Agreement) has not occurred with respect to the Credit Facility, none of the Issuer, the Trustee or any other person shall, upon the occurrence of an Event of Default under the Financing Agreement or an event of default under any other Bond Financing Document, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Loan, except at the written direction of the Credit Facility Provider; provided that this prohibition shall not be construed to limit the rights of the Issuer or the Trustee to specifically enforce the Tax Certificate and the Regulatory Agreement in order to provide for operation of the Project in accordance with the Code and the laws of the State, including the Act or to enforce the Unassigned Rights; and provided further that this prohibition shall not be construed to limit the rights of the Issuer, the Trustee, the Servicer, the Credit Facility Provider or any indemnified party under the Financing Agreement to enforce its rights against the Borrower under the Financing Agreement by mandamus or other suit, action or proceeding at law or in equity where such suit, action or proceeding does not seek any remedies under or with respect to the Bond Mortgage or cause acceleration of the Bond Loan.

Equity Investor Notice and Cure Rights

Notwithstanding anything in the Financing Agreement to the contrary, any cure of an Event of Default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower (but only if and to the extent a cure right is provided to the Borrower for any such Event of Default) and shall be accepted or rejected on the same basis as if made or tendered by the Borrower. Whenever in the Financing Agreement the giving of notice for an Event of Default is required, a courtesy copy of such notice shall be delivered by Issuer or Trustee to the Equity Investor as set forth in the Financing Agreement; provided however that any failure to provide such courtesy copy notice will not affect the validity or sufficiency of any notice to Borrower, will not affect the Issuer's, the Trustee's or following the Conversion Date, the Credit Facility Provider's rights and remedies under the Financing Agreement or under any other Bond Financing Documents, nor subject the Issuer, the Trustee or following the Conversion Date, the Credit Facility Provider to any claims by or liability to Equity Investor.

Credit Facility Provider and Servicer as Third Party Beneficiaries

The parties to the Financing Agreement agree and acknowledge that, following the Conversion Date, the Credit Facility Provider and the Servicer will be third party beneficiaries of the Financing Agreement.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

The following is a brief summary of certain provisions of the Land Use Restriction Agreement (the "Regulatory Agreement"). The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Regulatory Agreement, copies of which are on file with the Trustee. All terms not otherwise defined below shall have the meaning given to such terms in the Indenture or the Regulatory Agreement.

Qualified Residential Rental Project

The Issuer and the Borrower declare their understanding and intent that the Project is to be owned, managed and operated as a "qualified residential rental project," as such phrase is utilized in Section 142(d) of the Code, throughout the Term of the Regulatory Agreement. To that end, the Borrower represents, covenants and agrees as follows throughout the Term of the Regulatory Agreement:

The Project will be constructed, equipped and operated for the purpose of providing multifamily rental housing, and the Project shall be owned, managed and operated as a "qualified residential rental project" within the meaning of Section 142(d) of the Code, the applicable Treasury Regulations and the other Tax Requirements. At least 95 percent of the net proceeds of the Bonds will be used for Qualified Project Costs.

Except as otherwise permitted by this section of the Regulatory Agreement, all of the Units in the Project shall be, and will remain, similarly constructed, and each Unit shall contain complete facilities for living, sleeping, eating, cooking and sanitation for at least a single person.

Except as otherwise permitted by this section of the Regulatory Agreement, (i) none of the Units in the Project shall at any time be utilized on a transient basis; (ii) none of the Units in the Project shall ever be leased or rented for a period of less than thirty (30) days; and (iii) neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, health club (which shall not be construed to include recreational facilities which are available only to all tenants and their guests), trailer court or park.

All Units in the Project shall be leased and rented or made available for rental on a continuous basis to members of the general public, and the Borrower shall not give preference in renting Units in the Project to any particular class or group of persons, other than Lower-Income Tenants as provided in the Regulatory Agreement; provided, however, an insubstantial number of Units in the Project (which number, if more than 4 Units, shall have been approved by Bond Counsel in writing) may be occupied by maintenance, security or managerial employees of the Borrower or its property manager, which employees must be reasonably necessary for the operation of the Project.

The Borrower will not sell, transfer or otherwise dispose of the Project to a cooperative housing corporation unless: (1) the corporation is a limited equity cooperative that is a qualified cooperative housing corporation as defined in Section 143(k) of the Code, and (2) the Borrower fully complies with the requirements of the Regulatory Agreement, including obtaining an opinion of Bond Counsel to the effect that such transfer will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

The Project consists of one or more discrete edifices or other man-made construction, each consisting of an independent foundation, outer walls and roof, all of which are (i) owned by the same

“person” (as such term is used in the Code) for federal tax purposes, (ii) located on a common tract of land or two or more tracts of land which are contiguous except for being separated only by a road, street, stream or similar property, and (iii) financed by the Loan or otherwise pursuant to a common plan of financing, and which will consist entirely of:

- (i) Units which are similar in quality and type of construction and amenities, and
- (ii) Facilities Functionally Related and Subordinate in purpose and size to property described above, e.g., parking areas, laundries, swimming pools, tennis courts and other recreational facilities (none of which may be unavailable to any person because such person is a Lower-Income Tenant) and other facilities that are reasonably required for the Project, e.g., heating and cooling equipment, trash disposal equipment or Units for residential managers or maintenance personnel.

The Borrower may impose additional charges for the use of certain Functionally Related and Subordinate facilities (e.g., recreational facilities) provided all such facilities are available to and affordable by all tenants in the Project on equal terms, no persons who are not tenants or guests of tenants will be permitted to use such facilities and the charges, if any, are reasonable in relation to the use of such facilities.

The Project will not include a Unit in the building unless all Units in such a building are also included in the Project.

The Borrower has not and shall not discriminate on the basis of race, creed, religion, color, sex, age or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

The Borrower will not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, State or local program, but the Borrower will not be required to permit more persons to occupy a Unit than may be allowed under local zoning laws, the Regulatory Agreement or HUD program standards.

The Borrower shall submit to the Secretary of the United States Department of the Treasury, with copies to the Issuer and the Trustee, on or before March 31 of each year during the Qualified Project Period the annual certification of compliance in the form, at the time and in the manner required under Section 142(d)(7) of the Code (Internal Revenue Service Form 8703). On or before each February 15 of each year during the Qualified Project Period, the Borrower will submit to the Trustee and the Issuer a draft of the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the United States Department of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. The failure of the Borrower to submit the required annual compliance certification shall subject the Borrower to the penalty provided in Section 6652(j) of the Code.

Notwithstanding anything contained in the Regulatory Agreement to the contrary, any Unit shall not fail to be treated as a unit in a “qualified residential rental project” merely because such unit is a single-room occupancy unit (within the meaning of Section 42(i)(3)(B)(iv) of the Code).

THE BORROWER AGREES TO NOTIFY THE TRUSTEE AND THE ISSUER IN WRITING OF ANY EVENT OF DEFAULT BY THE BORROWER IN THE PERFORMANCE OR OBSERVANCE OF ANY COVENANT, AGREEMENT, REPRESENTATION, WARRANTY OR OBLIGATION OF THE BORROWER KNOWN TO IT SET FORTH IN THE REGULATORY AGREEMENT, SUCH NOTICE TO BE DELIVERED WITHIN FIVE (5) BUSINESS DAYS OF KNOWLEDGE OF SUCH

EVENT OF DEFAULT UNLESS CURED BEFORE TERMINATION OF SUCH NOTICE PERIOD. THE BORROWER ALSO SHALL NOTIFY THE TRUSTEE AND THE ISSUER IN WRITING OF ANY EVENT OR CONDITION WHICH WITH THE LAPSE OF TIME OR THE GIVING OF NOTICE, OR BOTH, WOULD CONSTITUTE AN EVENT OF DEFAULT UNDER THE REGULATORY AGREEMENT, SUCH NOTICE TO BE DELIVERED WITHIN FIVE (5) BUSINESS DAYS OF KNOWLEDGE OF SUCH EVENT OF DEFAULT UNLESS CURED BEFORE TERMINATION OF SUCH NOTICE PERIOD.

Lower-Income Tenants

In order to satisfy the requirements of Section 142(d) of the Code, the Borrower represents, covenants and agrees that throughout the Term of the Regulatory Agreement:

(a) Commencing with the Occupancy Date not less than 40% of the Units in the Project at all times throughout the Qualified Project Period shall be rented to and occupied (or held available for rent, if previously rented to and occupied by a Lower-Income Tenant) by Lower-Income Tenants as required by Section 142(d) of the Code. For purposes of satisfying the requirement that not less than 40% of the Units be occupied by Lower-Income Tenants, a Lower-Income Tenant shall continue to qualify as a Lower-Income Tenant if, after admission, the Lower-Income Tenant's Adjusted Household Income exceeds the applicable qualifying income level set forth in the definition of "Lower-Income Tenant" herein so long as the Adjusted Household Income of such tenant does not exceed one hundred forty percent (140%) of the then current maximum allowable Adjusted Household Income for Lower-Income Tenants of the same family size. If, as of the most recent annual Income Certification, it is determined that the Adjusted Household Income of a person or family occupying a Qualified Unit exceeds one hundred forty percent (140%) of the then current maximum allowable Adjusted Household Income for Lower-Income Tenants and subsequent to such determination, but before the next determination, any Unit in the Project of which the Unit is a part of comparable or smaller size is rented to persons other than Lower-Income Tenants, then such person or family occupying such Qualified Unit shall no longer qualify as a Lower-Income Tenant. If necessary, the Borrower shall refrain from renting dwelling Units in the Project of which the Unit is a part to persons other than Lower-Income Tenants in order to avoid violating the requirement that at all times during the Qualified Project Period not less than 40% of the completed dwelling Units in the Project shall be occupied by Lower-Income Tenants.

(b) If a Unit is vacated by an individual or family who qualified as Lower-Income Tenants, such Unit may continue to be treated as rented to and occupied by Lower-Income Tenants until reoccupied, other than for a temporary period of not more than thirty one (31) days, at which time the character of the Unit shall be re-determined provided that the next available Unit of comparable or smaller size is rented to and occupied by a Lower-Income Tenant.

(c) The Borrower shall obtain and maintain on file with respect to each Lower-Income Tenant residing in the Project: (i) a sworn Income Certification from each tenant dated immediately prior to the initial occupancy of such tenant in the Project (and, if the Income Certification was executed by such tenant more than thirty (30) days prior to such tenant's initial occupancy in the Project, the Borrower shall require such tenant to recertify the accuracy of the information therein and to provide any updated information necessary in order for the Income Certification to be true and correct as of the date of initial occupancy), in the form and containing such information as may be required by Section 142(d) of the Code (initially substantially in the form attached to the Regulatory Agreement as an exhibit, as the same may be amended from time to time by the Issuer on the written advice of Bond Counsel), or in such other form and manner as may be required or permitted by the Tax Requirements, and (ii) an annual Income Certification for each tenant for each

year of such tenant's occupancy; provided, however, that subsection (ii) shall not apply with respect to the Project for any year if during such year no Unit in the Project is occupied by a new tenant who is not a Lower-Income Tenant. Photocopies of each such initial and annual Income Certification obtained by the Borrower during the Term of the Regulatory Agreement shall be submitted to the Issuer (1) within fifteen (15) days following the end of each such calendar month, which submission shall be together with the Compliance Certificate required under this Section of the Regulatory Agreement below, and (2) when otherwise requested by the Issuer, which may be as often as may be necessary, in the written opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. The Borrower shall make a good-faith effort to determine that the income information provided by an applicant in an Income Certification is accurate.

(d) The Borrower shall maintain complete and accurate records pertaining to the Units occupied or to be occupied by Lower-Income Tenants, and shall permit any duly authorized representative of the Trustee, the Issuer, the United States Department of the Treasury, or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the incomes, the Income Certifications and income substantiation materials of Lower-Income Tenants of the Project upon reasonable notice and at reasonable times.

(e) The Borrower shall immediately notify the Issuer and the Trustee if at any time less than 40% of the Units in the Project are not occupied or available for occupancy as provided in subparagraph (a) of this section. The Borrower shall prepare and submit to the Issuer and the Trustee not later than the fifteenth (15th) day of each month during the Term of the Regulatory Agreement, the Compliance Certificate attached as an exhibit to the Regulatory Agreement executed by the Borrower or its management agent stating, among other things, the number of Units of the Project which, as of the first day of such month, in each case, were occupied by Lower-Income Tenants, were deemed to be occupied by Lower-Income Tenants as provided in this section above, and stating that all Units in the Project are occupied by or held available for rental and that not less than 40% of the Units in the Project are occupied by or held available for rental to Lower-Income Tenants.

(f) The Borrower shall prepare and submit to the Issuer and the Trustee within thirty (30) days after each anniversary of the Occupancy Date a certificate executed by the Borrower stating: (i) the lowest percentage of the dwelling Units in the Project that were occupied, or held available for occupancy, by Lower-Income Tenants during such period, and (ii) that to its knowledge either (A) no unremedied Event of Default has occurred under either the Financing Agreement or the Regulatory Agreement, or (B) an Event of Default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Borrower to remedy such Event of Default, and (iii) that, to the knowledge of the Borrower, no Determination of Taxability has occurred, or if a Determination of Taxability has occurred, summarizing all material facts relating thereto.

(g) Commencing on the date of the Regulatory Agreement, the form of lease to be used by the Borrower in renting any Units in the Project to any Lower-Income Tenants shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Lower-Income Tenant, as applicable, as a result of any material misrepresentation (whether intentional or not) made by such person with respect to his or her income and income verification. Each such lease or rental agreement shall also provide that the tenant's income is subject to annual certification in accordance with this section of the Regulatory Agreement, and that if the tenant refuses to provide the necessary information for annual certification within 30 days of a written request by the Borrower for such information, the tenant will be subject to immediate eviction for failure to provide such information. If upon any such certification such tenant's and all occupants

of the household's Adjusted Income exceeds one hundred forty percent (140%) of the applicable income limit for a Lower-Income Tenant of the same family size, such tenant may cease to qualify as a Lower-Income Tenant, but shall not be subject to eviction solely because such tenant ceased to qualify as a Lower-Income Tenant.

(h) The Borrower shall determine Lower-Income Tenant income in accordance with HUD regulations and in accordance with regulations, rulings or procedures issued or adopted by the United States Department of the Treasury or the Internal Revenue Service with respect to projects financed pursuant to Section 142(d) of the Code and applicable to the Project.

(i) The Issuer elects in accordance with Section 142(d)(1) of the Code to apply to the Project the occupancy requirements for Lower-Income Tenants set forth above in this section of the Regulatory Agreement, and the Borrower hereby irrevocably consents to this election.

(j) All Income Certifications will be maintained on file at the Project as long as the Regulatory Agreement is in effect and for three (3) years thereafter with respect to each Lower-Income Tenant who occupied a Unit in the Project during the Qualified Project Period.

Sale, Conveyance or Transfer of Project

So long as no Event of Default shall have occurred and be continuing under the Regulatory Agreement, the Project may be conveyed or otherwise transferred and the transferring Borrower shall be released from its obligations under the Regulatory Agreement from and after the date of such transfer, but only following written notice to the Trustee and the Issuer, and with the prior written consent of the Issuer, provided the following conditions have been satisfied: (i) the new Borrower shall unconditionally assume in writing in recordable form all obligations of the Borrower under the Regulatory Agreement from and after the date of such transfer, including, without limitation, an express unconditional covenant to fully comply with all provisions of the Regulatory Agreement concerning the operation of the Project and the leasing of Units to Lower-Income Tenants, which unconditional assumption shall be in form and substance reasonably satisfactory to Bond Counsel, and which unconditional assumption shall be recorded in the official land records of Fairfax County, Virginia; (ii) an opinion of counsel of the transferee shall be provided that the transferee has duly assumed the obligations of the Borrower under the Regulatory Agreement and that such obligations and the Regulatory Agreement are valid and binding on the transferee and enforceable against the transferee in accordance with their terms; and (iii) an opinion of Bond Counsel shall be provided to the effect that such transfer will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

The restrictions contained above in this section of the Regulatory Agreement shall not be applicable to any of the following exceptions: (i) any sale, transfer, assignment, encumbrance or addition of any partnership or membership interest in the Borrower or any Affiliate (provided that, in such event at least one of the general partners or members of the Borrower prior to such event shall remain an Affiliate or a general partner or member of the Borrower after such event and the percentage of ownership interest in the Borrower shall not change by more than fifty percent (50%)), (ii) grants of utility related easements and service or concession, related leases or easements, including, without limitation, laundry service leases and/or television cable easements, over portions of the Project, provided the same are granted in the ordinary course of business in connection with the operation of the Project as contemplated by the Regulatory Agreement, (iii) leases of Units to Lower-Income Tenants or other tenants, (iv) any sale or conveyance to a condemning governmental authority as a direct result of a condemnation or a governmental taking or a threat thereof, or (v) any change in allocations of preferred return capital, depreciation or losses or any final adjustments in capital accounts of any partnership or limited liability company Borrower (all of which may

be freely transferred or adjusted by Borrower pursuant to Borrower's partnership agreement or operating agreement, as applicable).

Notwithstanding anything to the contrary contained in the Regulatory Agreement, the following transactions are hereby deemed to be expressly permitted hereunder:

- (i) the transfer by the Investor Member (as such term is defined in the Amended and Restated Operating Agreement of the Borrower, (the "Operating Agreement") of membership interests in the Borrower to any other entity which is an affiliate of the Investor Member pursuant to the Operating Agreement;
- (ii) the pledge and encumbrance of the interests of the Investor Member to or for the benefit of any financial institution which enables the Investor Member to make its capital contributions to the Borrower;
- (iii) the transfer by the Investor Member and/or the Special Member of their interests in the Borrower in accordance with the terms of the Operating Agreement;
- (iv) the removal of the Managing Member of the Borrower in accordance with the Operating Agreement and the replacement thereof with the Investor Member, the Special Member or any of its Affiliates;
- (v) the transfer of interests in the Investor Member and/or Special Member;
- (vi) upon the expiration of the tax credit period, the transfer of the interests of the Investor Member and/or the Special Member to the Managing Member or its Affiliates; and
- (vii) any amendment to the Operating Agreement to memorialize the transfers or removal referenced above.

It is expressly stipulated and agreed that any sale, transfer or other disposition of the Project by the Borrower in violation of this section of the Regulatory Agreement shall be null, void and without effect, and shall be ineffective to relieve either the transferor Borrower or the transferee entity of its obligations under the Regulatory Agreement.

The Borrower shall include by incorporation the requirements and restrictions contained in the Regulatory Agreement in any deed, assignment or other documents transferring any interest in the Project to another person (other than transfers described in this section above) to the end that such transferee has notice of and is bound by such restrictions, and shall obtain the express agreement from any transferee so to abide, as required in the Regulatory Agreement. If the transferor Borrower and its transferee fully comply with all requirements of this section of the Regulatory Agreement (including, without limitation, the written and recorded assumption by the transferee of all obligations of the Borrower under the Regulatory Agreement from and after the date of transfer), then upon the transfer and conveyance of the Project such transferor shall be relieved from its obligations under the Regulatory Agreement from and after the date of transfer, and all references to the "Borrower" shall be deemed to refer to such transferee.

Term of the Regulatory Agreement

The Regulatory Agreement shall become effective upon its execution and delivery and recordation in the real property records of Fairfax County, Virginia, and shall remain in full force and effect until the expiration of the Qualified Project Period, it being expressly agreed and understood that the provisions of

the Regulatory Agreement may survive the repayment in full of the Bonds if such repayment occurs prior to the expiration of the Qualified Project Period. Upon the termination of the Regulatory Agreement, upon request of any party hereto, the Issuer, the Trustee, the Borrower and any successor party hereto shall execute a recordable document further evidencing and confirming such termination.

Notwithstanding the foregoing provisions of the Regulatory Agreement, the restrictions contained in the Regulatory Agreement regarding the use and operation of the Project shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, condemnation or similar governmental taking by eminent domain, change in a federal law or an action of a federal agency after the date the Bonds are issued which prevents compliance with the covenants expressed in the Regulatory Agreement, BUT ONLY IF, either (i) all Bonds have been or within a reasonable period thereafter are redeemed and paid in full and all obligations under the Financing Agreement are paid in full, or (ii) within a reasonable period amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulation Section 1.103-8(b); and there is an opinion of Bond Counsel that such use of the amounts received does not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes. In either event, upon the written request of the Borrower and at the expense of the Borrower, the parties to the Regulatory Agreement shall execute an appropriate document in recordable form to evidence and confirm such automatic termination; provided, however, the restrictions of the Regulatory Agreement shall nevertheless apply to the Project if, at any time during that part of the Qualified Project Period subsequent to a foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or a related person (as that term is defined in Treasury Regulation 1.103-10(e)) obtains an ownership interest in the Project for tax purposes; and the restrictions contained in the section of the Regulatory Agreement titled "Lower-Income Tenants" shall nevertheless apply to the Project if at any time during the term applicable to section 7 of the Regulatory Agreement, the Borrower, or any entity that includes the Borrower or those with whom the Borrower has or had family or business ties, obtains an ownership interest in the Project.

Notwithstanding any other provisions of the Regulatory Agreement, except for such provisions as determined by the Issuer to be necessary or appropriate to continue in full force and effect the provisions of the section of the Regulatory Agreement titled "Lower-Income Tenants," the entire Agreement or any of the provisions or sections hereof, other than the section of the Regulatory Agreement titled "Lower-Income Tenants" and such other provisions as determined by Issuer, may be terminated upon agreement in writing by the Issuer, the Trustee and the Borrower, if there shall have been received an opinion of Bond Counsel that such termination will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes. After the date on which no Bonds remain outstanding, as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under the Regulatory Agreement and all references to the Trustee in the Regulatory Agreement shall be deemed references to the Issuer.

Events of Default and Enforcement

If the Borrower defaults in the performance or observance of any covenant, agreement or obligation under the Regulatory Agreement, and if such default remains uncured for a period of sixty (60) days after notice specifying such default and the actions required to correct the same shall have been given by the Trustee or the Issuer to the Borrower (or for an extended cure period approved in writing by Bond Counsel if such default stated in such notice can be corrected, but not within such 60-day period), then such uncured breach or default shall constitute an "Event of Default" under the Regulatory Agreement.

Upon the occurrence of an Event of Default as per the terms of the Regulatory Agreement, the Issuer may take whatever other action at law or in equity or otherwise, whether for specific performance of

any covenant in the Regulatory Agreement or such other remedy as may be deemed most effectual by the Issuer to enforce the obligations of the Borrower under the Regulatory Agreement, and including the appointment of a receiver to operate the Project in compliance with the Regulatory Agreement, or the institution and prosecution of any action or proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation.

In addition to any and all other available remedies, the Borrower consents and agrees that any one or more of the following remedies shall be available upon the occurrence of an Event of Default as described in the Regulatory Agreement:

(i) The Borrower acknowledges and agrees that specific performance of the covenants and requirements of the Regulatory Agreement shall be necessary to achieve the intent hereof, and that no appropriate remedy at law would be available upon an Event of Default hereunder, or if available, any such remedy would be inadequate to implement the public purposes of the Act and to maintain the excludability from gross income of interest on the Bonds for federal tax purposes, and that the Trustee, the Issuer and the holders of the Bonds would be irreparably injured by the Borrower's failure specifically to perform the covenants and requirements of the Regulatory Agreement; therefore, notwithstanding anything to the contrary stated in the Regulatory Agreement, the Trustee and the Issuer each will have the right to seek specific performance of any of the covenants and requirements of the Regulatory Agreement concerning the acquisition, construction and operation of the Project or an order enjoining any violation of the Regulatory Agreement.

(ii) The Borrower agrees that the appointment of a receiver may be necessary to prevent waste to the Project and to maintain the excludability from gross income of interest on the Bonds for federal tax purposes, following an Event of Default by the Borrower under the Regulatory Agreement. The Issuer or Trustee may require the appointment of such a receiver.

No remedy conferred upon or reserved to the Issuer or the Trustee by the Regulatory Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Regulatory Agreement, the Financing Agreement or the Indenture or any related documents, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any failure to perform under the Regulatory Agreement shall impair any such right or power or shall be construed to be a waiver thereof. The Issuer hereby authorizes and directs the Trustee to enforce any and all of the Issuer's rights and remedies hereunder on behalf of the Issuer in the event the Issuer fails to exercise the same and the Trustee hereby acknowledges its right to enforce such rights and remedies.

The Trustee and the Issuer shall have the right, either jointly or severally, to enforce the Regulatory Agreement and require curing of an Event of Default under the Regulatory Agreement by the Borrower in periods shorter than otherwise specified in this section if Bond Counsel shall, in writing, opine to the parties that it is necessary to effect a cure within a shorter period in order to maintain the excludability from gross income of interest on the Bonds for federal tax purposes.

No Event of Default under the Regulatory Agreement shall constitute a default under the Note or Project Note.

The Investor Member and the Special Member shall be entitled to cure any Event of Default under the Regulatory Agreement to the same extent, upon the same terms and within the same time frame provided to the Borrower under the Regulatory Agreement. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Member or the Special Member shall be deemed to

be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT

The Issuer, the Trustee and Freddie Mac have agreed upon their respective rights arising from an Event of Default under any Bond Financing Document in the Intercreditor Agreement. The following is a brief summary of certain provisions of the Intercreditor Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full text of the Intercreditor Agreement, a copy of which is on file with the Trustee.

Under the terms of the Intercreditor Agreement, the Issuer, the Trustee and Freddie Mac have agreed, among other things, that, until either (a) Freddie Mac fails to honor a draw properly presented in accordance with the terms of the Credit Enhancement Agreement or (b) the Credit Enhancement Agreement terminates in accordance with its terms and all of the Borrower's obligations to Freddie Mac under the Reimbursement Agreement shall have been paid in full, certain of the rights and remedies of the Issuer and the Trustee under certain of the Bond Financing Documents, including (without limitation) the rights and remedies of the beneficiary under the Bond Mortgage, may be exercised only with the prior written consent or solely at the direction of Freddie Mac, in its sole discretion, including (without limitation) the right to waive certain terms and conditions of certain of the Bond Financing Documents pertaining to the Borrower.

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APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT

The following is a brief summary of the Reimbursement Agreement to be effective following conversion. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full text of the Reimbursement Agreement, a copy of which is on file with the Trustee.

Defined Terms

Capitalized terms used under this heading and not defined hereunder or elsewhere in this Official Statement will have the meanings assigned thereto in the Reimbursement Agreement.

General

The obligations of the Borrower to Freddie Mac with respect to payments made pursuant to the Credit Enhancement Agreement will be evidenced by the Reimbursement Agreement. Under the Reimbursement Agreement, the Borrower will be obligated to repay Freddie Mac all sums of money Freddie Mac has advanced to the Trustee under the Credit Enhancement Agreement. The Reimbursement Agreement also provides that the Borrower is to pay the Freddie Mac Credit Enhancement Fee, the Servicing Fee (as such fees are set forth in the Reimbursement Agreement), make scheduled monthly deposits to fund certain reserves (which have been established solely for the benefit of Freddie Mac) and other fees and expenses as provided therein.

Events of Default

The occurrence of any one or more of the following will constitute an Event of Default under the Reimbursement Agreement:

- (i) the Borrower fails to pay when due any amount payable by the Borrower under the Reimbursement Agreement, including, without limitation, any fees, costs or expenses;
- (ii) the Borrower fails to perform its obligations under the Reimbursement Agreement relating to maintaining the tax exempt status of the Bonds, maintaining its character as a single purpose entity, amending or modifying its organizational documents without Freddie Mac's consent, dissolving or liquidating in whole or in part, permitting subordinate financings with respect to the Project or prepaying the Bond Loan except in accordance with the Reimbursement Agreement;
- (iii) the Borrower fails to observe or perform any other term, covenant, condition or agreement set forth in the Reimbursement Agreement, which failure continues for a period of 30 days after notice of such failure by Freddie Mac to the Borrower (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in Freddie Mac's sole discretion, adversely affect Freddie Mac or result in impairment of the Reimbursement Agreement, the Bond Mortgage, the Reimbursement Mortgage or any other Reimbursement Security Document, in which case no Event of Default shall be deemed to exist so long as Borrower shall have commenced to cure the default or Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods will apply in the case of any such failure which could, in Freddie Mac's judgment, absent immediate exercise by Freddie Mac of a

right or remedy under the Reimbursement Agreement, result in harm to Freddie Mac, impairment of the Reimbursement Agreement, the Bond Mortgage, the Reimbursement Mortgage or any other Reimbursement Security Document;

(iv) the Borrower fails to observe or perform any other term, covenant, condition or agreement set forth in any of the other Borrower Documents (as defined in the Reimbursement Agreement) or there otherwise occurs an “Event of Default” under the Reimbursement Mortgage, an event of default under the Conventional Loan Documents, or an event of default under any of the other Borrower Documents (taking into account any applicable cure period);

(v) any representation or warranty made by or on behalf of the Borrower in the Reimbursement Agreement, in any other Borrower Document or in any certificate delivered by the Borrower to Freddie Mac or to the Freddie Mac Servicer pursuant to the Reimbursement Agreement or any other Borrower Document is inaccurate or incorrect in any material respect when made or deemed made;

(vi) the Borrower fails to pay the tax abatement prepayment in accordance with the Reimbursement Agreement in the event the tax abatement is not obtained;

(vii) the Borrower shall fail to complete all repairs and other rehabilitation in the time and manner required under the Rehabilitation Escrow Agreement; or

(viii) a default or event of default occurs under the terms of any other indebtedness permitted to be incurred by the Borrower (after taking into account any applicable notice and cure period).

Remedies

Upon the occurrence of an Event of Default, Freddie Mac may declare all the obligations of the Borrower under the Reimbursement Agreement to be immediately due and payable, in which case all such obligations will become due and payable, without presentment, demand, protest or notice of any kind, including notice of default, notice of intent to accelerate or notice of acceleration. In addition to the foregoing, Freddie Mac has the right to take such action at law or in equity, without notice or demand, as it deems advisable to protect and enforce the rights of Freddie Mac against the Borrower in and to the Project conveyed by the Reimbursement Mortgage or the Bond Mortgage, including, but not limited to, the following actions: (i) demand cash collateral or Qualified Investments in the full amount of the obligations under the Bonds whether or not then due and payable by Freddie Mac under the Credit Enhancement Agreement; (ii) give written notice to the Trustee stating that an Event of Default has occurred and is continuing under the Reimbursement Agreement and directing the Trustee to accelerate or cause the mandatory redemption (or purchase in lieu) of the Bonds; (iii) exercise any rights and remedies available to Freddie Mac under any of the Borrower Documents; and (iv) exercise the same rights, powers, and remedies with respect to the UCC Collateral (as defined in the Reimbursement Agreement) that the Borrower may exercise, which rights, powers, and remedies are incorporated therein by reference for all purposes. In furtherance and not in limitation of the foregoing, Freddie Mac shall have all rights, remedies and recourses with respect to the UCC Collateral granted in the Borrower Documents and any other instrument executed in connection therewith, or existing at common law or equity (including specifically those granted by the Uniform Commercial Code as adopted in the State and any other state in which the filing of a UCC financing statement is necessary to perfect Freddie Mac’s security interest), the right of offset, the right to sell the UCC Collateral at public or private sale, and the right to receive distributions to the Borrower.

Freddie Mac has the right, to be exercised in its discretion, to waive any Event of Default under the Reimbursement Agreement. Unless such waiver expressly provides to the contrary, any waiver so granted will extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

Reimbursement Mortgage

The obligations of the Borrower under the Reimbursement Agreement will be secured by the Reimbursement Mortgage. The Reimbursement Mortgage will be subordinate to the Bond Mortgage, subject to the terms of the Intercreditor Agreement. Bondholders will have no rights under and are not third-party beneficiaries under the Reimbursement Mortgage.

Amendments

The Reimbursement Agreement can be amended by Freddie Mac and the Borrower without the consent of, or notice to, the Issuer, the Trustee or the holders of the Bonds.

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APPENDIX G

FORM OF CREDIT FACILITY — CREDIT ENHANCEMENT AGREEMENT

Freddie Mac Loan No. 511500572

CREDIT ENHANCEMENT AGREEMENT

between

FEDERAL HOME LOAN MORTGAGE CORPORATION

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee**

**Relating to a
Bond Mortgage Loan
Securing**

**\$_[_____]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 – SW4 Project)
Series 2024A**

Dated as of [_____ 1, 20__]

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CREDIT ENHANCEMENT AGREEMENT

THIS CREDIT ENHANCEMENT AGREEMENT (this “**Agreement**”) is made and entered into as of [_____] 1, 20___], by and between the **FEDERAL HOME LOAN MORTGAGE CORPORATION (“Freddie Mac”)**, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the “**Trustee**”), a national banking association, duly organized and existing under the laws of the United States, in its capacity as Trustee under a Trust Indenture dated as of October 1, 2024 (the “**Indenture**”), between the Fairfax County Redevelopment and Housing Authority (the “**Issuer**”) and the Trustee.

WITNESSETH:

WHEREAS, pursuant to the Indenture, Issuer has issued its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A (the “**Series A Bonds**” or the “**Bonds**”) and its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B (the “**Series B Bonds**”) in the original aggregate principal amount of \$[_____]. The Series B Bonds have been paid in full and only the Series A Bonds remain outstanding and are currently outstanding in the principal amount of \$[_____]; and

WHEREAS, pursuant to a Financing Agreement dated as of October 1, 2024 (the “**Financing Agreement**”) among the Issuer, Trustee and RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the “**Borrower**”), the Issuer has used the proceeds of the sale of Series A Bonds and the Series B Bonds to make a loan (defined as the Bond Loan in the Indenture and defined herein as the “**Bond Mortgage Loan**”) to the Borrower to finance the Project described therein; and

WHEREAS, the Borrower has used the proceeds of the Bond Mortgage Loan for the acquisition and construction of the Project; and

WHEREAS, the Borrower’s outstanding repayment obligations as of the date hereof in respect of the Bond Mortgage Loan are evidenced by a Multifamily Note, dated October __, 2024 (defined as the Bond Note in the Indenture and defined herein as the “**Bond Mortgage Note**”) from the Borrower to the Issuer, as such has been assigned to the Trustee; and

WHEREAS, to secure the Borrower’s outstanding obligations under the Bond Mortgage Note as of the date hereof, the Borrower has executed and delivered for the benefit of the Trustee a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date (the “**Bond Mortgage**”) with respect to the Project, which the Issuer has assigned its interests therein to the Trustee pursuant to the Indenture; and

WHEREAS, in order to provide credit enhancement for the payment by the Borrower of the outstanding amounts due under the Bond Mortgage Loan on and following the Closing Date, the Borrower has requested that Freddie Mac enter into this Agreement with the Trustee, which permits the Trustee to make draws in an amount equal to Guaranteed Payments with respect to the Bond Mortgage Loan; and

WHEREAS, to evidence the Borrower's reimbursement obligations to Freddie Mac for draws made hereunder, the Borrower and Freddie Mac are entering into a Reimbursement and Security Agreement contemporaneously with the execution and delivery hereof (the "**Reimbursement Agreement**"); and

WHEREAS, to secure the Borrower's reimbursement obligations to Freddie Mac under the Reimbursement Agreement, the Borrower is executing and delivering for the benefit of Freddie Mac a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing contemporaneously with the execution and delivery hereof (the "**Reimbursement Mortgage**") with respect to the Project; and

WHEREAS, the rights of the Issuer, the Trustee, and Freddie Mac to enforce remedies under the Bond Mortgage and the Reimbursement Mortgage, respectively, are governed by an Intercreditor Agreement dated as of [_____] 1, 20__ among the Issuer, the Trustee, and Freddie Mac; and

WHEREAS, Capital One, National Association, a national banking association (the "**Servicer**"), commencing on the Closing Date, will act as initial servicer for the Bond Mortgage Loan;

NOW, THEREFORE, in consideration of the fees to be paid to Freddie Mac, the material covenants and undertakings set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Freddie Mac and the Trustee do hereby agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.01 *Definitions* All capitalized terms not otherwise specifically defined in this Agreement shall have the same meanings, respectively, as the defined terms contained in the Indenture or the Reimbursement Agreement, as applicable. Unless otherwise expressly provided in this Agreement or unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below for all purposes of this Agreement.

"*Agreement*" means this Credit Enhancement Agreement, as the same may be amended, supplemented or restated from time to time.

"*Available Amount*" means, at any time, an amount equal to the aggregate principal amount of Bonds Outstanding (as of the Closing Date, \$[_____] plus an amount equal to all the accrued interest on the Bonds Outstanding for up to 189 days, computed on the basis of a 360-day year of twelve (12) thirty (30) day months, as reduced by that amount, if any, previously provided by Freddie Mac to the Trustee for payment of the Guaranteed Payment, such reduction to be in an amount equal to 100% of the amount of such Guaranteed Payment. Following any provision of funds under this Agreement, the amount provided (and the amount by which the Available Amount is reduced) shall be reinstated only as provided in Section 3.1(a)(iv).

"*Bond Mortgage*" means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date together with all

riders and addenda thereto, from the Borrower to the Trustee securing payment of the Bond Mortgage Loan, as the same may be amended, modified or supplemented from time to time, which the Issuer has assigned its interest therein to the Trustee pursuant to the Indenture.

“*Bond Mortgage Loan*” means the loan in the original amount of \$[____], of which \$[____] is outstanding on the Closing Date, by the Issuer to the Borrower pursuant to the Financing Agreement, as evidenced by the Bond Mortgage Note and commencing on the Closing Date, secured by the Bond Mortgage. For the avoidance of doubt, the Bond Mortgage Loan and the Bond Loan defined in the Indenture are the same loan.

“*Bond Mortgage Note*” means the Multifamily Note dated [October __, 2024] delivered by the Borrower to the Issuer in the original principal amount of \$[____], of which \$[____] is outstanding on the Closing Date, together with all riders and addenda thereto, evidencing the Borrower’s obligation to repay the Bond Mortgage Loan, as the same may be amended, modified or supplemented from time to time, which promissory note has been assigned by the Issuer to the Trustee pursuant to the Indenture. For the avoidance of doubt, the Bond Mortgage Note and the Bond Note defined in the Indenture are the same note.

“*Bond Mortgage Payment Date*” means (i) each Interest Payment Date (as defined in the Indenture) while the Bond Mortgage Loan is outstanding, commencing [____ 1, 20__] and (ii) any other date on which principal of the Bond Mortgage Note is paid.

“*Bonds*” means, solely, the Series A Bonds.

“*Borrower*” means RGC2 Southwest 4 Owner LLC, a Virginia limited liability company, and any permitted successor to or assignee of its rights and obligations under the Bond Financing Documents.

“*Business Day*” means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York (or other agent acting as Freddie Mac’s fiscal agent) is authorized or obligated by law or executive order to remain closed, (d) a day on which the permanent home office of Freddie Mac is closed, or (e) a day on which (1) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee or the permanent home office of Freddie Mac is located are authorized or obligated by law or executive order to be closed or (2) the New York Stock Exchange is closed.

“*Closing Date*” means the date Freddie Mac executes and delivers this Agreement.

“*Custodian*” means The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely in its capacity as collateral agent for Freddie Mac, and any successor thereto in such capacity.

“*Draw Request*” [means a demand for payment delivered by the Trustee to Freddie Mac pursuant to](#) Section 3.1(a)(i) of this Agreement.

“*Event of Default*” means the occurrence of an event of default as described in Section 6.1.

“*Financing Agreement*” means the Financing Agreement dated as of October 1, 2024 among the Issuer, the Trustee and the Borrower, as may amended or supplemented from time.

“*Freddie Mac*” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“*Freddie Mac Credit Enhancement Payment*” means the amount required to be paid by Freddie Mac to the Trustee with respect to any Guaranteed Payment pursuant to Section 3.1(a)(i).

“*Freddie Mac Reimbursement Amount*” shall have the meaning set forth in the Reimbursement Agreement.

“*Freddie Mac Trustee E-mail Account*” means the Freddie Mac established e-mail account for receipt of notices, inquires and other communications from bond trustees. The e-mail address for the Freddie Mac Trustee E-mail Account is MFLA_Trustees@freddiemac.com or such other e-mail address as Freddie Mac may designate from time to time.

“*Freddie Mac Trustee Hotline*” means the Freddie Mac established telephone hotline for bond trustees. The hotline number is (703) 714-4177 or such other phone number as Freddie Mac may designate from time to time.

“*Guaranteed Payment*” is defined within the definition of Required Bond Mortgage Payment herein.

“*Guide*” means the Freddie Mac Multifamily Seller/Service Guide, as the same may be amended, modified or supplemented from time to time.

“*Indenture*” means that certain Trust Indenture dated as of October 1, 2024 between the Issuer and the Trustee pursuant to which the Bonds are issued and secured, as the same may be amended, supplemented or restated from time to time.

“*Interest Component*” shall have the meaning provided in the definition of Required Bond Mortgage Payment and Guaranteed Payment, as applicable.

“*Issuer*” means the Fairfax County Redevelopment and Housing Authority, and its successors.

“*Notice*” means any notice delivered by the Trustee to Freddie Mac pursuant to Section 3.1(a)(i), in the form set forth in *Exhibit A* hereto.

“*Pledge Agreement*” means the Pledge, Security and Custody Agreement dated as of [_____] 1, 20__], among the Borrower, Freddie Mac and the Custodian, as the same may be amended, supplemented or restated from time to time.

“*Principal Component*” shall have the meaning provided in the definition of Required Bond Mortgage Payment and Guaranteed Payment, as applicable.

“*Purchase Price*” means, with respect to any Bond purchased in lieu of redemption pursuant to Section 3.06 of the Indenture, the principal amount of each Bond plus any redemption premium due thereon plus interest accrued to the Settlement Date. No portion of the Purchase Price consisting of any redemption premium shall be payable from funds drawn under this Agreement.

“*Purchased Bond*” means any Bond purchased pursuant to Section 3.06 of the Indenture during the period from and including the date of its purchase in lieu of redemption by the Trustee on behalf of the Borrower with amounts provided by Freddie Mac under this Agreement.

“*Reimbursement Agreement*” means the Reimbursement and Security Agreement dated as of [_____] 1, 20____], between the Borrower and Freddie Mac, as the same may be amended, supplemented or restated from time to time.

“*Reimbursement Mortgage*” means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date from the Borrower to Freddie Mac, together with all riders and addenda thereto, granting a second priority mortgage and security interest in the Project to Freddie Mac to secure the obligations of the Borrower under the Reimbursement Agreement and all documents related thereto, as the same may be amended, supplemented or restated from time to time.

“*Required Bond Mortgage Payment*” and “*Guaranteed Payment*” mean the sum of the applicable Interest Component and the applicable Principal Component, as follows:

	Interest Component	Principal Component
Required Bond Mortgage Payment	(i) The regularly scheduled payment of interest due on the unpaid principal balance of the Bond Mortgage Loan, adjusted solely as provided in Section 3.4; (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, all accrued and unpaid interest on the amount prepaid; and (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, all accrued and unpaid interest thereon.	(i) The regularly scheduled payment of principal, on the Bond Mortgage Note, if any; (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, the principal amount of the Bond Mortgage Note being prepaid; and (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, the unpaid principal balance of the Bond Mortgage Note.

Guaranteed Payment	The Interest Component of the corresponding Required Bond Mortgage Payment.	(i) The regularly scheduled payment of principal, on the Bond Mortgage Note, if any; (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, the principal amount of the Bond Mortgage Note being prepaid; and (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, the unpaid principal balance of the Bond Mortgage Note.
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For the purpose of this Agreement only, regularly scheduled monthly deposits to the Credit Facility Principal Reimbursement Account of the Credit Facility Reimbursement Fund, as provided in the Reimbursement Agreement, or other escrows required by the Bond Mortgage or the Reimbursement Mortgage are not included in the Required Bond Mortgage Payment or Guaranteed Payment.

“*Series A Bonds*” means the Issuer’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A issued in the principal amount of \$ _____, of which \$ _____ is Outstanding as of the Closing Date.

“*Servicer*” means the eligible servicing institution designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Mortgage Loan), or its successor, as servicer of the Bond Mortgage Loan. Initially, the Servicer shall be Capital One, National Association.

“*State*” means the Commonwealth of Virginia.

“*Termination Date*” means the first to occur of (a) the date the Bonds shall have been paid in full, (b) the date all of the Bonds shall have been redeemed or purchased in lieu of redemption in accordance with the provisions of Section 3.2 of this Agreement, (c) **[_____ 6, 20__ -THE SIXTH DAY OF THE MONTH FOLLOWING MATURITY, E.G. IF THE BONDS MATURE ON JANUARY 1, 2044, USE JANUARY 6, 2044]**, (d) the date on which the Trustee, after having received sufficient funds to redeem all of the Bonds Outstanding in accordance with the terms of the Indenture, shall have released the lien of the Indenture and shall have paid to Freddie Mac all amounts required to be paid under the Indenture, the Financing Agreement, the Reimbursement Agreement, this Agreement and any other Bond Financing Document, and (e) the day immediately following the effective date of any Alternate Credit Facility.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., and its successors and any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

“*Wire Request System*” means the Freddie Mac web-based application known as “MultiSuite for Bonds - Wire Request System,” which is designed to facilitate the payment of

Draw Requests. The Wire Request System is to be used by the Trustee to conduct electronic transactions with Freddie Mac and is accessible only via Freddie Mac’s website at the following URL: <https://mf.freddiemac.com/lenders/reporting>. For instructions on how to register and use the Wire Request System, please call the Freddie Mac Trustee Hotline.

Section 1.02 Interpretation. In this Agreement, unless the context otherwise requires, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include partnerships, limited liability companies, corporations and associations, including public bodies, as well as natural persons. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder”, and any similar terms, as used in this Agreement, refer to this Agreement. Any reference in this Agreement to an “Exhibit”, a “Section”, a “Subsection”, a “Paragraph” or a “subparagraph” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Agreement, a section of this Agreement, a subsection of the section of this Agreement in which the reference appears, a paragraph of the subsection within this Agreement in which the reference appears, or a subparagraph of the paragraph within which the reference appears. All Exhibits attached to or referred to in this Agreement are incorporated by reference into this Agreement.

ARTICLE II REPRESENTATIONS

Section 2.01 Representations by Freddie Mac. Freddie Mac represents and warrants that:

(a) It is a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America.

(b) This Agreement is a valid and binding obligation of Freddie Mac, the making and performance of which by Freddie Mac have been duly authorized by all necessary corporate and other action and neither the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Agreement by Freddie Mac conflicts with, results in a breach of, or is a default under, in any material respect, any of the terms, conditions or provisions of any legal restriction or any instrument to which Freddie Mac is now a party or by which Freddie Mac is bound, or constitutes a violation of any law regulating the affairs of Freddie Mac or internal governing documents of Freddie Mac, and will not result in the creation of any prohibited encumbrance upon any of its assets.

Section 2.02 Representations by Trustee. The Trustee represents, warrants and covenants that:

(a) It is a national banking association, duly organized and existing under the laws of the United States, has the power (including trust powers) and authority to accept and execute trusts, has duly accepted its appointment as Trustee under the Indenture, and all corporate action required to authorize acceptance of such appointment as Trustee under the Indenture, the execution, delivery and performance of the Indenture and this Agreement, and consummation of the transactions contemplated thereby and hereby, have been duly taken.

(b) It acknowledges that Freddie Mac has certain rights with respect to the Bond Mortgage Loan and the Bond Mortgage pursuant to the Intercreditor Agreement.

(c) It has furnished wire instructions, which are correctly set forth in Section 5.5, to Freddie Mac for Freddie Mac to make payments under this Agreement by wire transfer and will advise Freddie Mac, in writing, of any change to such instructions utilizing the form attached hereto as **Exhibit B** not less than five (5) Business Days prior to the effective date thereof.

**ARTICLE III
CREDIT ENHANCEMENT**

Section 3.01 *Credit Enhancement Payments.*

(a) (i) On each Bond Mortgage Payment Date, a portion of the Available Amount in an amount not to exceed the aggregate principal amount of the Bonds Outstanding (as of the Closing Date, \$ _____) is available for the payment of the Principal Component of the Guaranteed Payment and a portion of the Available Amount in an amount not to exceed the accrued interest on the Bonds Outstanding for up to 189 days (calculated as provided in the definition of Available Amount), is available for the payment of the Interest Component of the Guaranteed Payment, subject to reduction and reinstatement as provided in Section 3.1(a)(iv). Funds shall be made available to the Trustee for such payment against delivery by the Trustee of a demand for payment (each a “**Draw Request**”). Until Freddie Mac provides the Trustee with written or electronic notice to the contrary, the Trustee shall deliver Draw Requests to Freddie Mac using the Wire Request System. If, for any reason, the Trustee is unable to deliver a Draw Request electronically for processing a payment using the Wire Request System, the Trustee shall notify Freddie Mac immediately via the Freddie Mac Trustee Hotline and Freddie Mac Trustee E-mail Account and deliver that Draw Request by facsimile or electronic transmission, immediately confirmed by overnight delivery service, of a Notice, in the form set forth in **Exhibit A** hereto, to Freddie Mac at (571) 382-4798, if by facsimile transmission, or the Freddie Mac Trustee E-mail Account, if by electronic transmission (or to such other facsimile number or e-mail address or using such other means of electronic or telephonic communication as Freddie Mac shall designate in writing); provided that Freddie Mac may waive in writing the requirement of confirmation by overnight delivery service. If a Draw Request is made in strict conformity with the terms and conditions hereof, payment shall be made to the Trustee in immediately available funds (A) if such Draw Request is received by Freddie Mac by 12:00 Noon (Washington, D.C. time) on any Business Day, not later than 2:00 p.m. (Washington, D.C. time) on the next Business Day, and (B) if such Draw Request is so received after 12:00 Noon (Washington, D.C. time) on any Business Day, not later than 2:00 p.m. (Washington, D. C. time) on the second succeeding Business Day.

(ii) Notwithstanding any other provision of this Agreement, Freddie Mac shall have no obligation under any circumstance to make a Freddie Mac Credit Enhancement Payment or any other payment under this Agreement with respect to any prepayment premium or other prepayment charge payable on the Bond Mortgage Loan or due under the Bond Mortgage Note (or which may in any way relate to the Bonds, including any redemption premium on the Bonds), any reserve funds that are funded from Bond proceeds, any negative arbitrage or investment losses with respect to reserve amounts held by the Trustee under the Indenture, and Freddie Mac’s obligation with respect to the payment of interest under this Section is limited to the Interest Component of the related Guaranteed Payment. In no event shall Freddie Mac be obligated to make a payment under Section 3.1(a) in excess of the Guaranteed Payment. The provisions of this Paragraph (a)(ii) shall in no way affect the obligation of Freddie Mac to make payment of principal to the extent elsewhere provided in this Section.

(iii) Intentionally Omitted.

(iv) Upon a payment under this Agreement, the Available Amount and the amount thereof available (A) for the payment of the Principal Component of the Guaranteed Payment, shall be automatically reduced by an amount equal to the amount of such payment for such purpose and (B) for the payment of the Interest Component of the Guaranteed Payment, shall be automatically reduced by an amount equal to the amount of such payment for such purpose. The obligation of Freddie Mac to pay the Principal Component of the Guaranteed Payment shall not be reinstated. The obligation of Freddie Mac to pay the Interest Component of the Guaranteed Payment shall be reinstated, up to the maximum amount set forth in Section 3.1(a)(i) for such purpose, automatically on the day following the provision of funds by Freddie Mac for payment of such Interest Component.

(b) Intentionally Omitted.

(c) Payments required to be made pursuant to this Agreement shall be made from any source legally available to Freddie Mac, other than funds of the Borrower or the Issuer.

(d) Intentionally Omitted.

(e) This Agreement shall become effective upon its execution and delivery by Freddie Mac and the Trustee and shall cease to be in effect on the Termination Date.

The Trustee hereby expressly acknowledges and agrees that Freddie Mac shall have no liability to the Trustee or to the Bondholders for any failure to make full and timely payment of principal or interest on the Bonds resulting from a deficiency of moneys therefor under the Indenture if the Trustee shall not have delivered, in the manner and at the time required by this Agreement, a Notice under Section 3.1 hereof or any other notice required in this Agreement as a condition precedent to payment thereunder by Freddie Mac.

Section 3.02 *Right of Freddie Mac to Cause Redemption, Purchase in Lieu of Redemption or Acceleration of Bonds.*

(a) Subject to the provisions of the Indenture, Freddie Mac shall have the right to direct the Trustee to provide notice of redemption or purchase in lieu of redemption of the Bonds to the extent and upon the terms described in the Indenture, provided that Freddie Mac agrees to honor a Notice given in accordance with this Agreement to pay to the Trustee the full redemption price or Purchase Price of the Bonds upon the redemption or purchase in lieu of redemption thereof.

(b) If Freddie Mac pays the Purchase Price of the Bonds in accordance with a purchase in lieu of redemption thereof pursuant to Section 3.06 of the Indenture, subsequent to its date of purchase Freddie Mac or an entity designated by Freddie Mac in accordance with Section 3.06 of the Indenture, as the case may be, may on any day elect to present all or a portion of such Bonds to the Trustee for cancellation pursuant to Section 3.07 of the Indenture.

(c) Freddie Mac shall have the right to cause an acceleration of the Bonds pursuant to Section 6.02 of the Indenture provided the conditions set forth therein have been satisfied. In such event, Freddie Mac shall pay to the Trustee the entire principal amount of the Bonds, together with accrued interest thereon to the date of acceleration of the Bonds.

(d) Upon the payment by Freddie Mac of the redemption price or Purchase Price of the Bonds as provided in Sections 3.2(a), (b) or (c) all payment obligations of Freddie Mac under Section 3.1 with

respect to such Bonds to the extent of such payment shall thereupon terminate, other than payment obligations becoming due and owing prior to the date of such payment.

Section 3.03 *Nature of the Trustee's Rights.* The right of the Trustee to receive payments from Freddie Mac pursuant to Sections 3.1 and 3.2 shall not be diminished by any rights of set-off, recoupment or counterclaim Freddie Mac might otherwise have against the Issuer, the Trustee, the Borrower or any other person. Notwithstanding the foregoing, this Section 3.3 shall not be construed: to release the Trustee or the Issuer from any of their respective obligations hereunder or under the Indenture; except as provided in this Section, to prevent or restrict Freddie Mac from asserting any rights which it may have against the Issuer, the Trustee or the Borrower under this Agreement, the Indenture, the Intercreditor Agreement, the Bond Mortgage Loan or any provisions of law; or to prevent or restrict Freddie Mac, at its own cost and expense, from prosecuting or defending any action or proceeding by or against the Issuer, the Trustee or the Borrower or taking any other actions to protect or secure its rights; provided, however that any recovery against the Issuer is limited to the amounts held under the Indenture.

Section 3.04 *Adjustments to Required Bond Mortgage Payments and Guaranteed Payments.* In connection with any partial principal prepayments of amounts owing under the Bond Mortgage Note, the Interest Component of the Required Bond Mortgage Payment shall be adjusted only upon the redemption of Bonds in the amount of such principal prepayment.

ARTICLE IV FREDDIE MAC REIMBURSEMENTS

Section 4.01 *Reimbursements.*

(a) For each Freddie Mac Credit Enhancement Payment made by Freddie Mac, Freddie Mac shall be entitled to receive reimbursement under the Reimbursement Agreement in the amount of the Freddie Mac Reimbursement Amount. If the Trustee shall have received a Freddie Mac Credit Enhancement Payment from Freddie Mac with respect to any particular Guaranteed Payment and the Trustee shall have received or shall thereafter receive from the Borrower all or any portion of such Guaranteed Payment or any other amount in lieu of such Guaranteed Payment, the Trustee shall promptly reimburse to Freddie Mac, from any such amounts received from the Borrower, the Freddie Mac Credit Enhancement Payment paid by Freddie Mac as provided in the Indenture.

(b) The Trustee shall maintain records of all Freddie Mac Credit Enhancement Payments received from Freddie Mac hereunder. The Trustee shall, upon receipt of a written request of Freddie Mac, cooperate with Freddie Mac and the Servicer in connection with the reconciliation of the Trustee's records maintained pursuant to this Subsection and any similar records maintained by Freddie Mac or the Servicer.

ARTICLE V COVENANTS

Section 5.01 *Annual Reports.* Freddie Mac registered its common stock with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), effective July 18, 2008. As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC. Any document that Freddie Mac files with the SEC may be read and copied at the SEC's

public reference room at 100 F Street, N.E., Washington, D.C. 20549. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>.

Section 5.02 *Notice of Certain Events.* The Trustee shall promptly give notice by facsimile or electronic transmission to Freddie Mac at (571) 382-4798, if by facsimile transmission, or the Freddie Mac Trustee E-mail Account, if by electronic transmission, of (i) the occurrence of any Event of Default under the Indenture or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default thereunder of which the Trustee has actual knowledge, specifying the action taken or proposed to be taken with respect to such event, and (ii) each proposed redemption of Bonds and the amount thereof, in writing, not later than 20 days (or as soon as practicable after receiving notice or other information that such a redemption is expected to occur, if such proposed redemption is to be effected with less than 20 days' prior notice in accordance with the Indenture) prior to such redemption, other than scheduled mandatory sinking fund redemptions.

Section 5.03 *Amendment of Documents.* So long as no Event of Default hereunder shall have occurred and be continuing, the Trustee will not amend or modify, or consent to any amendment or modification of any Bond Financing Document without the prior written consent of Freddie Mac.

Section 5.04 *Replacement of Servicer.* The Trustee acknowledges that, under certain circumstances set forth in the Guide, Freddie Mac shall have the right to terminate the Servicer's servicing of the Bond Mortgage Loan and to transfer the servicing of the Bond Mortgage Loan to a successor servicer in accordance with the Guide. Freddie Mac will promptly notify the Trustee upon termination of the Servicer and the appointment of a successor servicer.

Section 5.05 *Wiring Information.* All payments under this Agreement may be made by means of wire transfer of funds to the Trustee to the following account or such other account as the Trustee may specify in writing from time to time:

Bank: [To be completed at Conversion]
ABA#:
BNF:
Acct#:
Ref:

ARTICLE VI DEFAULT AND REMEDIES

Section 6.01 *Events of Default.* Any one or more of the following acts or occurrences shall constitute an Event of Default hereunder:

- (a) Failure by Freddie Mac to pay any amounts due under Section 3.1 or 3.2 when due;
- or
- (b) Failure by Freddie Mac to perform or observe any of its covenants, agreements or obligations hereunder, except a failure described in (a) above, if the same shall remain uncured for

a period of 45 days after written notice of such failure shall have been given by the Trustee to Freddie Mac; provided, however, that if such default is curable but requires acts to be done or conditions to be remedied which, by their nature, cannot be done or remedied within such 45-day period, no Event of Default shall be deemed to have occurred if Freddie Mac shall commence such acts or remedies within such 45-day period and thereafter, in the opinion of the Trustee, diligently pursue the same to completion; or

(c) any governmental authority shall require Freddie Mac to suspend its operations for more than three (3) Business Days (unless such requirement is applicable to corporate instrumentalities or financial institutions generally in the United States), or require the sale or transfer of all or substantially all of the assets of Freddie Mac.

Section 6.02 *Remedies of Trustee.* Upon the occurrence and continuance of any Event of Default by Freddie Mac hereunder, unless such Event of Default has been cured, the Trustee may take any one or more of the following steps, at its option:

(1) by action at law or in equity, require Freddie Mac to perform its covenants and obligations hereunder, or enjoin any acts which may be unlawful or in violation of the rights of the Trustee; and

(2) take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of Freddie Mac hereunder, or to enforce any other obligations, covenant or agreement of Freddie Mac hereunder.

The above provisions are subject to the condition that if, after any Event of Default hereunder, all amounts which would then be payable hereunder by Freddie Mac if such Event of Default had not occurred and were not continuing, shall have been paid by or on behalf of Freddie Mac, and Freddie Mac shall have also performed all other obligations in respect of which it is then in default hereunder to the satisfaction of the Trustee, then such Event of Default may be waived and annulled, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any consequent right or remedy.

Section 6.03 *Remedies Not Exclusive.* No remedy conferred in this Agreement or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 6.04 *Restoration of Rights and Remedies.* If the Trustee shall have instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the party instituting such proceeding, then and in every such case Freddie Mac, and the Trustee shall, subject to any determination in such proceeding, be restored to their former positions hereunder and thereafter all rights and remedies of the Trustee shall continue as though no such proceeding had been instituted.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

Section 7.01 *Interest of Bondholders.* The payments to be made by Freddie Mac hereunder are to be pledged by the Trustee to secure payment of the principal or redemption price of and interest on the Bonds (including the Purchase Price in connection with any purchase in lieu of redemption pursuant to Section 3.06 of the Indenture).

Section 7.02 *Amendment.* This Agreement shall be amended only by an instrument in writing executed on behalf of the parties by their duly authorized representatives.

Section 7.03 *No Individual Liability.* No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member of the Board of Directors of Freddie Mac or any officer, agent, employee or representative of Freddie Mac, or the Trustee, in his or her individual capacity and none of such persons shall be subject to any personal liability or accountability by reason of the execution of this Agreement, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise.

Section 7.04 *Notices.* All notices, certificates and other written communications shall be sufficiently given and shall be deemed to be given (unless another form of notice shall be specifically set forth in this Agreement) on the Business Day following the date on which the same shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt for overnight delivery service) with arrangements made for payment of all charges for next business day delivery, addressed as follows (provided that any of such addresses may be changed at any time upon written notice of such change sent, as provided in this Section, to the other party):

To Freddie Mac: Federal Home Loan Mortgage Corporation
 8100 Jones Branch Drive, MS B2E
 McLean, Virginia 22102
 Attention: Multifamily Operations – Loan Accounting
 Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel – Multifamily
 Legal Division
E-Mail: guy_nelson@freddiemac.com
Telephone: (703) 903-2000

with a copy to:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
MS B2E
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
E-mail: mfla_trustees@freddiemac.com
Trustee Hotline: (703) 714-4177

To the Trustee: The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Corporate Trust
Telephone: (412) 234-3151
Facsimile: (412) 234-8377

Notwithstanding anything herein to the contrary, copies of account statements shall be sent to the attention of Freddie Mac's Director of Multifamily Loan Accounting at the above address.

Section 7.05 *Governing Law.* This Agreement shall be construed, and the rights and obligations of Freddie Mac and the Trustee hereunder determined in accordance with federal statutory or common law ("**federal law**"). Insofar as there may be no applicable rule or precedent under federal law and insofar as to do so would not frustrate the purposes of any provision of this agreement, the local law of the Commonwealth of Virginia shall be deemed reflective of federal law. The parties agree that any legal actions between Freddie Mac and the Trustee regarding each party hereunder shall be originated in the United States District Court in and for the Eastern District of Virginia, and the parties hereby consent to the jurisdiction and venue of said Court in connection with any action or proceeding initiated concerning this Agreement.

Section 7.06 *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 7.07 *Multiple Counterparts.* This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 7.08 *Successor Trustee.* This Agreement and all of the rights and obligations of the Trustee in this Agreement shall be automatically transferred and assigned to a successor Trustee appointed or acting pursuant to the Indenture.

Section 7.09 *Assignment.* Except as provided in Section 7.8 hereof, this Agreement and the rights of the Trustee created hereby may not be assigned or transferred by the Trustee.

Section 7.10 *Acceptance.* The Trustee accepts the duties imposed upon it by this Agreement and agrees to perform those duties but only upon and subject to the following express terms and conditions:

(a) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee;

(b) as to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely in good faith upon a certificate purportedly signed by an authorized signatory of Freddie Mac as sufficient evidence of the facts contained in such certificate;

(c) the permissive right of the Trustee to do things enumerated in this Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct;

(d) none of the provisions contained in this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement except for any liability of the Trustee arising from its own negligence or willful misconduct;

(e) the Trustee is entering into this Agreement solely in its capacity as Trustee under the Indenture and not in its individual or corporate capacity; and

(f) all of the provisions of the Indenture related to the duties, obligations, standard of care, protections and immunities from liability afforded the Trustee under the Indenture shall apply to the Trustee under this Agreement.

[Signatures follow]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Enhancement Agreement to be duly executed by their duly authorized officers or representatives.

FEDERAL HOME LOAN MORTGAGE CORPORATION

By: _____
Name: _____
Title: _____

[FREDDIE MAC SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – SW4 CREDIT ENHANCEMENT AGREEMENT]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By: _____
Name: _____
Title: _____

[TRUSTEE'S SIGNATURE PAGE TO RESIDENCES AT GOVERNMENT CENTER 2 – SW4 CREDIT
ENHANCEMENT AGREEMENT]

EXHIBIT A

FORM OF NOTICE UNDER SECTION 3.1(a)(i)

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B2E
McLean, VA 22102
Attention: Multifamily Operations - Loan Accounting
Facsimile: (571) 382- 4798

Project Name: Residences at Government Center 2 – SW4

Related Bonds: \$[] Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4)
Series 2024A

CUSIP Number: [CUSIP NUMBER OF RELATED BONDS]

Loan No.: 511500572 Date of Notice: _____

CERTIFICATE FOR THE PAYMENT OF GUARANTEED PAYMENT

**under Section 3.1(a)(i) of Credit Enhancement Agreement between
Freddie Mac and the undersigned, as Trustee, dated as of [] 1,
20__] relating to the Bond Mortgage Loan securing the Bonds
referenced above**

Bond Mortgage Payment Date: _____, ____
Guaranteed Payment: \$ _____

NOTICE is hereby given that on the Bond Mortgage Payment Date set forth above, a Freddie Mac Credit Enhancement Payment in the amount equal to the Guaranteed Payment, of which amount \$ _____ represents the Interest Component and \$ _____ represents the Principal Component, is due. The amount of the Guaranteed Payment has been determined pursuant to the above-referenced Credit Enhancement Agreement.

REQUEST is hereby made for payment by Freddie Mac of such Freddie Mac Credit Enhancement Payment in accordance with the Credit Enhancement Agreement.

The Bank of New York Mellon Trust Company, N.A., as Trustee

Authorized Signature: _____
Name: _____
Title: _____

EXHIBIT B

FREDDIE MAC MULTIFAMILY

BOND WIRE INSTRUCTION CHANGE REQUEST FORM

Freddie Mac Internal Use:

Loan Accounting Approval Date	MF Operations Approval	Date

Bond Trustee – Please complete all required (*) fields. This wire instruction change applies only to the Freddie Mac loan number(s) referenced below.

A. Trustee’s Prior Wire Instructions:

Bond Property Name (Beneficiary): _____

***Freddie Mac Loan Number(s):** _____

***Bank Name:** _____

***Bank City:** _____

***Bank State:** _____

***ABA Number:** _____

***Account Number:** _____

Further Credit Instructions:

Name of Final Credit Party: _____

Final Credit Party Account Number: _____

B. Trustee's New Wire Instructions:

Bond Property Name: _____

***Freddie Mac Loan Number(s):** _____

***Bank Name:** _____

***Bank City:** _____

***Bank State:** _____

***ABA Number:** _____

***Account Number:** _____

Further Credit Instructions:

Name of Final Credit Party: _____

Final Credit Party Account Number: _____

Effective Date of Notice: _____, *which date is at least five (5) Business Days after the date of this notice.*

As of the Effective Date set forth above, all wires of funds to the Trustee for the above-referenced Freddie Mac loan number(s) pursuant to the Wire Request System shall be transmitted using the new wire instructions set forth in this notice.

[EXHIBIT B CONTINUES ON FOLLOWING PAGE]

C. Trustee Authorized Signature:

Each of the undersigned hereby represents and warrants to Freddie Mac that he/she is a duly appointed officer of the Trustee who is duly authorized to disseminate the Trustee's wire instructions, all of which is evidenced by either (i) resolutions (in full force and effect on the date of the execution of this form) of the board of directors of the Trustee, a true, complete and correct copy of which is attached as Schedule 1 hereto, or (ii) an Incumbency Certificate (in full force and effect on the date of the execution of this form) in the form attached hereto as Schedule 2, which has been signed and sealed by the corporate Secretary or Assistant Secretary of the Trustee, a true, complete and correct copy of which is attached hereto.

Trustee Name: _____

Date: _____

Name	Position/Title	Signature
Name	Position/Title	Signature
Address		City, State and Zip Code
Address		City, State and Zip Code
Telephone	Fax	E-mail
Telephone	Fax	E-mail

[Insert other Authorized Persons, as needed.]

NOTE: PROVIDE A NOTARY PANEL FOR EACH AUTHORIZED PERSON INDICATED ABOVE.

STATE OF _____)

: ss

CITY/COUNTY OF _____)

On the ____ day of _____, 20____, before me, the undersigned notary public, personally appeared _____, who is personally known to me, or who proved to me on the basis of satisfactory evidence that he/she is the individual whose name is subscribed to the within instrument, and he/she acknowledged to me that he/she executed the same in his/her capacity as the _____ of _____.

[Seal]

Notary Public

STATE OF _____)

: ss

CITY/COUNTY OF _____)

On the ____ day of _____, 20____, before me, the undersigned notary public, personally appeared _____, who is personally known to me, or who proved to me on the basis of satisfactory evidence that he/she is the individual whose name is subscribed to the within instrument, and he/she acknowledged to me that he/she executed the same in his/her capacity as the _____ of _____.

[Seal]

Notary Public

* This form is to be delivered to: Freddie Mac Multifamily, Loan Accounting Manager, 8100 Jones Branch Drive, Mail Stop B4Q, McLean, VA 22102 via overnight mail service.

SCHEDULE 1

to

Bond Wire Instruction Change Request Form

[INSTRUCTIONS: CORPORATE SECRETARY, PLEASE REMOVE THIS PAGE AND ATTACH AS “SCHEDULE 1” THE BOARD RESOLUTION REFERENCED ABOVE USING THE EXAMPLE BELOW.]

EXAMPLE OF CORPORATE RESOLUTION:

**BOARD OF DIRECTORS
OF
[INSERT CORPORATION NAME]**

DATE: _____

WHEREAS, the Board of Directors (the “**Board**”) of **[INSERT CORPORATION NAME]** (the “**Corporation**”) is adopting the following Resolution to amend, restate, assign or reassign general delegations of authority regarding its management with respect to subject matters not otherwise covered by specific Resolutions of the Board.

NOW, THEREFORE, BE IT RESOLVED that the individuals listed below are fully authorized and empowered to establish accounts in any bank or financial or depository institution in the name and on behalf, of **[INSERT CORPORATION’S NAME]**; to make deposits in, charge, transfer funds to, or withdraw funds from such accounts by checks, drafts, wire transfers, or other instruments or orders customarily used for the payment of accounts or the transfer of funds, including the proceeds of mortgages; and to make, execute, and deliver, wire transfer instructions or Automated Clearing House (ACH) instructions (if applicable) in writing or by electronic means, including any and all written instruments necessary or proper to effectuate the authority hereby conferred; and that any such actions heretofore taken by any of the following persons on behalf of **[INSERT CORPORATION’S NAME]** are hereby ratified, approved, and confirmed.

[The Resolution should set forth either: (i) designated individuals by their names and their titles or (ii) categories of authorized employees (for example: Senior Vice Presidents, Vice Presidents, Treasurers, etc.)]

By the Board of Directors

[Typed Name], Secretary/Assistant Secretary

[ATTACH CORPORATE SEAL]

SCHEDULE 2

to

Bond Wire Instruction Change Request Form

INCUMBENCY CERTIFICATE

The undersigned hereby certifies to the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) that I am the [Secretary / Assistant Secretary] of The Bank of New York Mellon Trust Company, N.A. (the “**Trustee**”), a national banking association, duly organized and existing under the laws of the United States of America, and that, as such, I am duly authorized to execute this Incumbency Certificate on behalf of the Trustee; and I further certify that each of the following persons, as of the date hereof, holds the office of the Trustee set opposite his or her name below, and that each such person is duly authorized to disseminate the Trustee’s wire instructions.

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

WITNESS the official seal of the Trustee and the signature of the undersigned this ____ day of _____, 20__.

[ATTACH THE CORPORATE SEAL]

Print Name: _____

Title: [Secretary / Assistant Secretary]

APPENDIX H
FORM OF OPINION OF BOND COUNSEL

[to be provided]

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$11,310,000*	\$3,190,000*
Fairfax County Redevelopment and Housing Authority	Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds	Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)	(Residences at Government Center 2 - SW4)
Series 2024A	Series 2024B

This Continuing Disclosure Agreement, dated as of October 1, 2024 (this “Continuing Disclosure Agreement”), is executed and delivered by RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the “Dissemination Agent”), for the above-captioned bonds (together, the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of October 1, 2024 (the “Indenture”), between the Fairfax County Redevelopment and Housing Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Pursuant to the Indenture and the Financing Agreement, dated as of October 1, 2024, by and among the Issuer, the Borrower and the Trustee (the “Financing Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“*Audited Financial Statements*” means, in the case of the Borrower, the annual audited financial statements prepared in accordance with generally accepted accounting principles, if any.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the administrator of the Project or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

* Preliminary; subject to change.

“*Dissemination Agent*” shall mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, and its successors and assigns.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower’s fiscal year, commencing with the fiscal year ending on December 31, 2025, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower’s Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower’s Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items described in Exhibit A may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an “Obligated Person” (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format (“PDF”) or other acceptable electronic form.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the

termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties; and

(xvii) The Project's being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project's being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit D hereto or such other form as may be approved by the Dissemination Agent. Notice of the Project being placed in service from the Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C hereto or such other form as may be approved by the Dissemination Agent.

For purposes of clauses (xv) and (xvi) of this Section 5(a), "financial obligation" is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the "Adopting Release").

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by facsimile transmission confirmed by telephone or by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above without the Dissemination Agent's having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xvii) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsection (d) below.

(d) If the Borrower has determined that a Listed Event is required to be disclosed, then the Borrower shall prepare a written notice describing the Listed Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under “Provision of Annual Reports,” “Contents of Annual Reports” or paragraph (a) under “Reporting of Listed Events,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(e) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower, the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Financing Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

Section 9. Reserved.

Section 10. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section 11 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Continuing Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 12. Notices. All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

If to the Borrower:

RGC2 Southwest 4 Owner LLC
c/o Lincoln Avenue Capital
401 Wilshire Boulevard, 11th Floor

Santa Monica, CA 90401
Attention: Hanna Jamar and Russell Condas
Email: hanna@lincolnavcap.com and rcondas@lincolnavcap.com

If to the Dissemination Agent:

The Bank of New York Mellon Trust Company, N.A.
BNY Mellon Corporate Trust-PNFP
AIM: 154-1270
500 Ross Street, 12th Floor
Pittsburgh, PA 15262
Attention: Matt Maselko
Email: Matthew.Maselko@bny.com

Section 13. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the Commonwealth of Virginia.

Section 14. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, tender, conversion or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

Section 15. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

RGC2 SOUTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Southwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

[Counterpart Signature Page to Continuing Disclosure Agreement]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

\$11,310,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A
CUSIP: _____

[\$3,190,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B
CUSIP: _____]

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Residences at Government Center 2 – SW4
Address:	12020 Government Center Parkway, Fairfax, VA 22035
Number of Units:	69

INFORMATION ON THE BONDS

Original principal amount of Bonds:	
Outstanding principal amount of Bonds:	

OPERATING HISTORY OF THE PROJECT

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, 20__, as derived from the Borrower’s audited financial statements [or unaudited financial statements].

Financial Results for Fiscal Year Ending December 31, _____	
Revenues	
Operating Expenses ¹	
Net Operating Income	
Debt Service on the Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

¹ Excludes depreciation and other non-cash expenses.

* Preliminary; subject to change.

Occupancy Results for Fiscal Year Ending December 31,	
Physical Occupancy	%
Economic Occupancy ¹	%

¹ The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

AUDITED FINANCIAL STATEMENTS

_____ Attached

_____ Audited financial statements of the Borrower for the period ending December 31, 20__ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

_____ No audited financial statements of the Borrower were prepared for the period ending December 31, 20__; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements.

EXHIBIT B

**NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: Fairfax County Redevelopment and Housing Authority

Name of Bond Issue: Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024A [and Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024B]

Name of Borrower: RGC2 Southwest 4 Owner LLC

CUSIP: _____ (Series 2024A)
[_____ (Series 2024B)]

Date of Issuance: October __, 2024

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the “Borrower”) has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by _____.

DATED: _____

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
PROJECT PLACED IN SERVICE**

Name of Issuer: Fairfax County Redevelopment and Housing Authority

Name of Bond Issue: Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024A and Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024B

Name of Borrower: RGC2 Southwest 4 Owner LLC

Name of Project: Residences at Government Center 2 – SW4

Address of Project: 12020 Government Center Parkway, Fairfax, VA 22035

Date of Issuance: October __, 2024

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of October 1, 2024, between the above-referenced borrower (the “Borrower”) and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent, that the Borrower has certified that the above-referenced project (the “Project”) is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$11,310,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A

\$3,190,000*
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B

The undersigned hereby provides notice to The Bank of New York Mellon Trust Company, N.A., a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as Residences at Government Center 2 – SW4 (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of October 1, 2024, between Fairfax County Redevelopment and Housing Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee (the “Trustee”).

RGC2 SOUTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Southwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

* Preliminary; subject to change.

BOND PURCHASE AGREEMENT

[\$11,310,000]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A

[\$3,190,000]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B

October __, 2024

Fairfax County Redevelopment and Housing Authority
3700 Pender Drive, Suite 300
Fairfax, VA 22030

RGC2 Southwest 4 Owner LLC
c/o Lincoln Avenue Capital
401 Wilshire Boulevard, 11th Floor
Santa Monica, CA 90401

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, on its own behalf and not as your fiduciary (the “Underwriter”), and in its capacity as purchaser of the Bonds (as hereinafter defined) enters into the following agreement (the “Bond Purchase Agreement”) with the Fairfax County Redevelopment and Housing Authority (the “Issuer”), and RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), which, upon acceptance of this offer, will be binding upon the Issuer, the Borrower and the Underwriter. This offer is made subject to the Issuer’s and the Borrower’s acceptance on or before 2:00 p.m., Eastern Daylight time, today; if this offer is not timely accepted, it will thereafter be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer and the Borrower at any time prior to the acceptance hereof by the Issuer and the Borrower. If and when accepted by the Issuer and the Borrower in writing, this Bond Purchase Agreement shall constitute the agreement of the Underwriter to purchase the Bonds on the terms and subject to the conditions herein set forth.

The above-captioned bonds are collectively referred to herein as the “Bonds.” Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture or the Financing Agreement (as each such term is hereinafter defined). The Indenture, the Financing Agreement, the Regulatory Agreement, the Tax Compliance Agreement and No Arbitrage Certificate (the “Tax Certificate”) and this Bond Purchase Agreement are hereinafter collectively referred to as the “Issuer Documents.” The Financing Agreement, the Regulatory Agreement, the Note, the Tax Certificate, the Continuing Disclosure Agreement, the Remarketing Agreement and this Bond Purchase Agreement are hereinafter collectively referred to as the “Borrower Documents.” The Indenture, the Continuing Disclosure Agreement and the Regulatory Agreement are hereinafter collectively referred to as the “Trustee Documents.”

SECTION 1. Purchase and Sale of the Bonds

Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter on October __, 2024 (the “Closing Date”), all (but not less than all) of the Series 2024A

Bonds, at a purchase price equal to \$[11,310,000] and the Series 2024B Bonds, at a purchase price equal to \$[3,190,000], [plus a premium of \$_____], for a total purchase price of \$[14,500,000]. The Borrower agrees to pay the Underwriter \$_____ plus \$_____ for certain fees and expenses in connection with the purchase of the Bonds (not including fees of its counsel) (the “Underwriting Fee”) in addition to the other expenses stipulated in Section 9 herein (together with the Underwriting Fee, the “Fees”). The Fees are payable on the Closing Date. Payment of the Fees is solely the obligation of the Borrower.

The Bonds shall be as described in, and shall be issued pursuant to, a Trust Indenture, dated as of October 1, 2024 (the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds shall be issued pursuant to a resolution adopted by the Issuer (the “Resolution”) on October __, 2024, and the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the “Act”). The Bonds will mature on the date, will bear interest at the Initial Interest Rate and are subject to mandatory tender on the Initial Mandatory Tender Date set forth on Schedule I attached hereto.

The proceeds of the Bonds will be used by the Issuer to provide funding for a loan to the Borrower (the “Loan”) to finance the acquisition, construction and equipping of a 69-unit affordable rental housing project located in Fairfax, Virginia, to be known as Residences at Government Center 2 – SW4 (the “Project”). The Loan will be evidenced by a promissory note from the Borrower (the “Note”). The Issuer and the Borrower will enter into a Financing Agreement dated as of October 1, 2024 (the “Financing Agreement”) relating to the Bonds. The Issuer, the Trustee and the Borrower will enter into a Land Use Restriction Agreement dated as of October 1, 2024 (the “Regulatory Agreement”) regarding the operation of the Project.

It shall be a condition (a) to the obligations of the Issuer to sell and deliver the Bonds to the Underwriter, and (b) to the obligations of the Underwriter with respect to the Bonds, to purchase and accept delivery of and to pay for the Bonds, that the entire aggregate principal amount of the Bonds shall be sold and delivered simultaneously by the Issuer and be purchased, accepted and paid for simultaneously by the Underwriter as to the Bonds.

SECTION 2. Offering of the Bonds and Issue Price Certificate

The Underwriter hereby agrees that:

- (i) the Underwriter will make a bona fide public offering of the Bonds at the price shown on Schedule I hereto (which shall not be less than par);
- (ii) at least 10% of each maturity of the Bonds were sold at the price shown for that Maturity (as defined on Appendix D hereto) on the date hereof; and
- (iii) the Underwriter will provide to the Issuer and Ballard Spahr LLP, Washington, D.C. (“Bond Counsel”) an executed Issue Price Certificate dated the Closing Date in a form substantially similar to Appendix D hereto.

SECTION 3. Official Statement

(a) The Issuer has delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated October __, 2024, which, together with the cover page and appendices thereto, is herein referred to as the “Preliminary Official Statement.” The Borrower deems the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is

permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof. Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the date of Closing Date, the Issuer shall deliver to the Underwriter the final Official Statement (the "Official Statement"), and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12 and rules of the Municipal Securities Rulemaking Board (the "MSRB") and to meet potential customer requests for copies of the Official Statement. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Borrower shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Issuer agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the SEC.

(b) With its acceptance hereof, the Issuer will deliver, at the expense of the Borrower, to the Underwriter within seven (7) business days of the date hereof (or within such shorter period as may be requested by the Underwriter in order to accompany any confirmation that requests payment from any customer to comply with paragraph (b)(4) of Rule 15c2-12 and Rule G-32 and all other applicable rules of the MSRB), copies of the final Official Statement in an amount mutually agreed upon, dated the date hereof, together with all supplements and amendments thereto, as shall have been accepted by the Underwriter, signed on behalf of the Borrower.

The Issuer hereby consents to the use of the Official Statement by the Underwriter in conjunction with the public offering and pricing of the Bonds. Except for the information contained in the portions of the Official Statement under the captions "THE ISSUER" and "ABSENCE OF LITIGATION — The Issuer," the Issuer has not confirmed, and assumes no responsibility for, the accuracy, completeness, sufficiency or fairness of any statements in the Official Statements or any amendments thereof or supplements thereto, or in any reports, financial information, offering or disclosure documents or other information relating to the Underwriter, the Project, the Borrower, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower or contained otherwise in the Official Statement.

(c) The Issuer agrees with the Underwriter that if between the date of this Bond Purchase Agreement and the date which is the earlier of (i) 90 days from the "end of the underwriting period," as defined in Rule 15c2-12 or (ii) the time when the Official Statement is available to any person from the MSRB's Electronic Municipal Market Access ("EMMA") system, but in no case less than 25 days following the end of the underwriting period, any event shall occur which would or might cause the information supplied by or concerning the Issuer, contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall cooperate with the Underwriter in supplementing or amending the Official Statement, the printing of which will be at the expense of the Borrower, in such form and manner and at such time or times as may be reasonably called for by the Underwriter.

(d) Unless otherwise notified in writing by the Underwriter on or prior to the date of the Closing, the Issuer and the Borrower can assume that the "end of the underwriting period" for the Bonds for all purposes of Rule 15c2-12 is the date of the Closing. Any notice to the contrary shall be given in writing by the Underwriter and such notice shall state that it relates to the Bonds, shall specify the "end of the underwriting period" (as defined in Rule 15c2-12) for the Bonds identified in such notice.

(e) At or prior to the Closing, the Underwriter shall file, or cause to be filed, the Official Statement with EMMA.

(f) In order to assist the Underwriter in complying with Rule 15c2-12, the Borrower will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual financial information and notices of the occurrence of specified events. A description of the Continuing Disclosure Agreement is set forth in, and a form of such agreement is contained in, the Preliminary Official Statement and the Official Statement.

SECTION 4. Representations and Warranties of the Issuer

The Issuer represents and warrants as of the date hereof to the Underwriter and the Borrower as follows:

(a) By its execution hereof, the Issuer represents and warrants to, and agrees with the Underwriter that it is a political subdivision of the Commonwealth of Virginia (the "State"), and has full legal right, power and authority (i) to enter into this Bond Purchase Agreement and the other Issuer Documents; (ii) to adopt the Resolution and cause the delivery of the Bonds to the Underwriter pursuant to the Resolution and the Indenture as provided herein; (iii) to loan the proceeds of the Bonds to the Borrower for the purpose set forth in the Official Statement; and (iv) to carry out and consummate the transactions contemplated by the Official Statement and the Issuer Documents;

(b) The Issuer, as advised by Bond Counsel, has complied, and will at the Closing Date be in compliance in all material respects with the Issuer Documents and the relevant laws of the State, with respect to the Bonds;

(c) (i) At or prior to the Closing, the Issuer will have taken all action required to be taken by it to authorize the issuance and sale of the Bonds and the performance of its obligations hereunder; (ii) the Issuer has full legal right, power and authority to enter into the Issuer Documents, each as described in the Official Statement, will have full legal right, power and authority to deliver the Bonds to the Underwriter and to perform its obligations hereunder as provided in the Bonds and the Issuer Documents, and all other documents to be executed by the Issuer in accordance with the issuance of the Bonds; (iii) at or prior to the Closing, the execution and delivery of, and the performance by the Issuer of the obligations contained in the Bonds, and the Issuer Documents shall have been duly authorized, and when executed the Issuer Documents will constitute valid and legally binding limited obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and the application of equitable principles where equitable remedies are sought and limitations on the enforcement of judgments against public bodies; (iv) the Issuer has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement; and (v) the Issuer Documents have been duly and validly adopted by the Issuer and are at the time of acceptance hereof in full force and effect;

(d) Between the date hereof and the Closing, the Issuer will not, without notifying the Underwriter in writing, issue any bonds, notes or other obligations for borrowed money on behalf of the Borrower except for such borrowings as may be described in or contemplated by the Official Statement;

(e) No further consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body which shall not have been obtained on or prior to Closing as advised by Bond Counsel is required for the issuance, delivery or sale of the Bonds, or the consummation of the other transactions effected or contemplated herein or hereby except for such actions may be necessary to be taken to qualify the Bonds for offer and sale under the Blue Sky or other

securities laws and regulations of such states and jurisdictions of the United States as the Underwriter shall designate, subject to Paragraph (k) of this Section;

(f) The information in the Official Statement under the captions “THE ISSUER” and “ABSENCE OF LITIGATION — The Issuer” (collectively, the “Issuer Information”) (as amended or supplemented with the approval of the Underwriter, if the Official Statement shall have been amended or supplemented) is, as of the date hereof and as of the date thereof and at all times subsequent thereto up to and including the Closing Date, true, correct and complete in all material respects and does not, and will not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to be stated therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) The Issuer, with respect to the Bonds, has not received notice that it is in material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject that would adversely affect the validity of the Bonds or the transactions contemplated herein; and the adoption of the Resolution and the execution and delivery of this Bond Purchase Agreement, the Bonds, the other Issuer Documents and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, and compliance with the provisions of each thereof do not, to the Issuer’s knowledge, conflict with or constitute a material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree, or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer, is a party or is otherwise subject;

(h) All approvals, consents, and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer, of its obligations hereunder and under the Resolution, the Issuer Documents and the Bonds and all other documents to be executed by the Issuer in connection with the issuance of the Bonds have been obtained;

(i) The Bonds, when delivered and sold to the Underwriter as provided herein, will have been duly authorized and executed and will constitute validly issued and binding limited obligations of the Issuer in conformity with, and entitled to the benefit and security of, the Act and the Issuer Documents;

(j) The Issuer will not knowingly take any action after the date hereof which would cause the Bonds not to conform in all material respects to the description thereof contained in the Official Statement;

(k) The Issuer will furnish such information, execute such instruments and cooperate with the Underwriter as the Underwriter may reasonably request in order for the Underwriter (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided that the Issuer shall not be required to register as a dealer or broker in any jurisdiction, be obligated to qualify to do business in any state, consent to jurisdiction of any state or take any action that would subject it to general service of process in any state where not now subject, or comply with any other requirements deemed by it to be unduly burdensome;

(l) At the Closing Date, the Issuer Information in the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(m) Except as disclosed in the Official Statement, the Issuer has received no notice of any litigation pending or threatened in any court in any way affecting the existence of the Issuer or the title of any officer of the Issuer who is required to execute any of the Issuer Documents to the office held by such member or employee, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or the Issuer Documents or contesting the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer, or its authority with respect to the Bonds, the Resolution and the Issuer Documents;

(n) Any certificate relating to the issuance and delivery of the Bonds signed by an authorized member or officer of the Issuer and delivered to the Underwriter or Trustee at or prior to the Closing Date shall be deemed a representation and warranty by the Issuer in connection with this Bond Purchase Agreement to the Underwriter or the Trustee as to the statements made therein; and

(o) The Issuer agrees that all representations, warranties and covenants made by it herein, and in certificates, agreements or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Underwriter, and that all representations, warranties and covenants made by the Issuer herein and therein and all the Underwriter's rights hereunder and thereunder shall survive the delivery of the Bonds.

SECTION 5. Representations, Warranties and Agreements of the Borrower

The Borrower represents, warrants and agrees with the Underwriter and the Issuer as follows:

(a) The Borrower is duly formed and validly existing as a limited liability company under the laws of the State, has full legal right, power and authority to own its properties and to conduct its business as described in the Official Statement and as contemplated by the Borrower Documents and to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents and the Official Statement, and is duly qualified to do such business and is in good standing wherever such qualification and/or standing are required, including the State.

(b) By all necessary action, the Borrower has duly authorized the Borrower Documents and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of its obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents to which it is a party and the consummation by it of all other transactions contemplated by the Indenture, the Official Statement and the Borrower Documents in connection with the issuance of the Bonds.

(c) On the Closing Date, the Borrower Documents will constitute the valid, legal and binding obligations of the Borrower (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(d) As of the date hereof, the Borrower is not in any material respect in violation of, breach of or default under any applicable law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with or constitute on the part of the Borrower a violation or breach of or default under any law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets are bound which violation, breach or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents.

(e) No consent, approval, authorization or order of any court or governmental body is required for the consummation by the Borrower of the transactions contemplated by this Bond Purchase Agreement and the Borrower Documents to which it is a party except such as have already been obtained or will be obtained on or prior to Closing or may be required under the state securities or "Blue Sky" laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(f) The information contained in the Preliminary Official Statement and the Official Statement under the captions "PRIVATE PARTICIPANTS," "THE PROJECT," "ABSENCE OF LITIGATION – The Borrower," and "CONTINUING DISCLOSURE" is true and correct and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(g) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation of which the Borrower has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers executing this Bond Purchase Agreement to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Bonds, any of the Borrower Documents or the execution and delivery or adoption by the Borrower of any of the Borrower Documents, or in any way contesting or challenging the completeness or accuracy of the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial condition or operations of the Borrower or the validity of the authorization, execution, delivery or performance by the Borrower of any of the Borrower Documents.

(h) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts upon the reasonable request of the Underwriter to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to pay any amounts, register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(i) Any certificate signed by the Borrower and delivered to the Underwriter or the Issuer pursuant to the Indenture or the Borrower Documents shall be deemed a representation and warranty in accordance with such certificate's provisions by the Borrower to the Underwriter and the Issuer as to the statements made therein as of the date thereof.

(j) The Borrower will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under the Internal Revenue Code of 1986, as amended.

(k) The Borrower shall honor all other covenants made by the Borrower contained in the Borrower Documents.

(l) All permits, licenses and other authorizations necessary for the ownership, acquisition, construction, and equipping of the Project in the manner contemplated by the Official Statement and the Borrower Documents have been obtained or will be obtained by the time required, and said ownership, acquisition, construction, and equipping are not in conflict with any zoning or similar ordinance applicable to the Project.

(m) As of the date hereof, the Borrower is not in nor has been in default under any prior continuing disclosure agreement or undertaking entered into in connection with a prior plan of financing subject to Rule 15c2-12.

The execution and delivery of this Bond Purchase Agreement by the Borrower shall constitute a representation to the Underwriter and the Issuer that the representations and warranties contained in this Section 5 are true as of the date hereof.

SECTION 6. Indemnification

(a) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer, the Trustee, the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Issuer, the Trustee, the Underwriter and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (a "Control Person") (collectively referred to herein as the "Indemnified Parties"), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the "Liabilities") caused by or directly or indirectly arising from or in any way relating to (i) the Bonds, the Project, the loan of the proceeds of the Bonds, the Financing Agreement, the Indenture, the Regulatory Agreement, this Bond Purchase Agreement, the Bond Financing Documents, or any document related to the Bonds, the Loan or any transaction or agreement, written or oral, pertaining to the foregoing, (ii) the breach by the Borrower of any representation, warranty or covenant of the Borrower contained herein or

in any of the other Bond Financing Documents, or (iii) any untrue or misleading statement of a material fact (except for the information under the captions “THE ISSUER” and “ABSENCE OF LITIGATION — The Issuer”) contained in the Official Statement or any omission of a material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer and the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Issuer and the Underwriter from and against all Liabilities directly or indirectly arising from or relating to any fraud or misrepresentations, errors or omissions contained in the proceedings of the Issuer pertaining to the financial condition of the Borrower; provided, however that, except with regard to the Issuer, the foregoing indemnity of an Indemnified Party pursuant to Section 6(a) and this Section 6(b) shall not apply to any loss to the extent such damages are caused by the gross negligence or willful misconduct or default of such Indemnified Party or any affiliate, member, officer, director, official, employee, agent or Control Person of such Indemnified Party or of the Principal Indemnified Party with which said party is affiliated or other official representation or inducement made by the Issuer and the Underwriter, respectively, pertaining to the Bonds.

(c) Any Indemnified Party shall notify the Borrower of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower an opportunity to defend the same at the Borrower’s expense and with counsel reasonably satisfactory to the Indemnified Party, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense but not to take any action to settle the same without the approval of the Borrower which approval shall not be unreasonably withheld. Each Indemnified Party shall have the right to engage separate counsel in any such action or proceeding and participate in the investigation and defense of the action or proceeding and the Borrower shall be obligated to pay the reasonable fees and expenses of such separate counsel if the Indemnified Party reasonably determines that a conflict of interest exists between the interests of the Indemnified Party and the interests of the Borrower. If the Borrower shall, after this notice and within a period of time necessary to preserve any and all reasonable defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk, cost and expense of, the Borrower.

(d) The Indemnified Parties, other than the Issuer and the Underwriter, shall be considered to be third-party beneficiaries of this Bond Purchase Agreement for purposes of this Section 6. The provisions of this Section 6 will be in addition to all liability that the Borrower may otherwise have under law or any other Borrower Document and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

(e) The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Financing Agreement or any other document, including the Remarketing Agreement, provided that in no event shall the Borrower be obligated for double indemnification, in that the Borrower shall not be required to indemnify an Indemnified Party more than once with respect to a specific indemnification obligation arising as the result of a specific event.

(f) All indemnification obligations are subject to the limitations in Section 18 of this Bond Purchase Agreement.

(g) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in this Section 6 is for any reason held to be unavailable, the Borrower and the

Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Party may be subject, so that the Indemnified Party is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Indemnified Party be responsible for any amount in excess of the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds. No person guilty of fraudulent misrepresentation (within Section 10(b) of the Securities Act of 1933) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

SECTION 7. Closing

At 10:00 a.m., Eastern Daylight time, on October __, 2024, or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower and the Underwriter, the Issuer shall direct the Trustee to deliver the Bonds to the Underwriter through the facilities of The Depository Trust Company (“DTC”), New York, New York, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer shall deliver at the Issuer’s offices the other documents and instruments to be delivered pursuant to this Bond Purchase Agreement (the “Closing Documents”) and the Underwriter shall accept delivery of the Bonds and Closing Documents and pay the purchase price for the Bonds by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer shall direct. As a condition precedent to such acceptance, the Underwriter shall have received the Underwriting Fee by wire transfer in immediately available federal funds to the order of the Underwriter, in such manner as shall be agreed upon by the Borrower and the Underwriter. This delivery and payment is herein called the “Closing” and the date on which the Closing occurs is herein called the “Closing Date.” If the Underwriter shall make such request, the applicable Bonds shall be made available to the Underwriter one business day before the Closing at the offices of DTC for purposes of inspection and packaging. The Bonds shall be prepared and delivered as fully registered Bonds without coupons in the denominations set forth in the Official Statement or multiples thereof. The ownership of one fully registered Bond in the aggregate principal amount of the Bonds, each bearing a proper, duly assigned CUSIP number will be issued initially in the name of Cede & Co., as nominee of DTC.

SECTION 8. Closing Conditions

The Underwriter has entered into this Bond Purchase Agreement in reliance upon representations, warranties and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations and warranties of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of the Closing, the Resolution shall have been duly approved and adopted by the Issuer and shall be in full force and effect and the Issuer Documents shall have been duly authorized, executed and delivered, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such actions as, in the opinion of Bond Counsel, and

counsel for the Underwriter, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(b) The Underwriter may terminate this Bond Purchase Agreement by notification to the Issuer and the Borrower if at any time subsequent to the date hereof and at or prior to the Closing:

(i) (A) legislation shall be enacted by the Congress of the United States or adopted by the Senate or House of Representatives of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to the Senate or House of Representatives by any committee of either such body to which such legislation has been referred for consideration or by a conference committee of such bodies, (B) a decision shall be rendered by a court of the United States or by the Tax Court of the United States, (C) a ruling, regulation or official action shall be rendered by or on behalf of the United States, or (D) a ruling, regulation or official action shall be proposed or issued, in any manner, including by pronouncement, press release or any other form of notice, by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or another governmental agency of the United States or by or on behalf of any member of the Senate or House of Representatives of the United States in any such instance with respect to federal taxation of interest received on obligations of the general character of the Bonds and which (1) in the opinion of counsel for the Underwriter would have or proposes action which would have the effect of making such interest includable in gross income for federal income tax purposes or (2) which, in the opinion of the Underwriter would materially adversely affect any intended utilization of Bond proceeds or other intended action described in the Official Statement;

(ii) between the date hereof and the Closing, payment for and delivery of the Bonds is rendered impracticable or inadvisable because (A) trading in securities generally shall have been suspended on the New York Stock Exchange or a general banking moratorium shall have been established by Federal or New York authorities or (B) a war involving the United States shall have been declared or escalated or another national or international calamity shall have occurred or escalated, the effect of any of which, in the reasonable judgment of the Underwriter materially adversely affects the marketability of the Bonds (it being agreed by the parties hereto that there is no war or national calamity of such a nature as of the date hereof);

(iii) any event shall occur or exist which, in the reasonable judgment of the Underwriter either makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, any statement or information is not reflected in the Official Statement but should be reflected therein for the purpose for which the Official Statement is to be used in order to make the statements or information contained therein not misleading in any material respect in light of the circumstances under which they were made, and where the Borrower and the Issuer do not agree to supplement or amend the Official Statement to correct the deficiency;

(iv) legislation shall be enacted, or any action shall be taken by the Securities and Exchange Commission, which, in the opinion of counsel for the Underwriter has or may have the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended; or

(v) an occurrence, in the reasonable judgment of Underwriter, of a material adverse change in the capital markets which makes the syndication, sale or financing contemplated hereby

impractical or which makes it inadvisable to proceed with the syndication, sale or financing contemplated hereby on the terms, manner and basis contemplated hereby.

(vi) the rating of the Bonds shall have been downgraded or withdrawn by Moody's Investors Service, Inc. (the "Rating Agency");

(vii) there occurs any change in the financial condition or affairs of the Borrower, the effect of which is, in the reasonable judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or delivery of the Bonds on the terms and in the manner contemplated herein or by the Official Statement; or

(viii) any litigation is instituted to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or questioning the Issuer for or the validity of the Bonds or the money or revenues pledged to the payment thereof or any of the proceedings of the Issuer taken with respect to the issuance and sale thereof.

(c) At or prior to the Closing, the Underwriter shall receive the following documents:

(i) an approving opinion of Bond Counsel addressed to the Issuer, dated the Closing Date substantially in the form attached to the Official Statement, and a reliance letter of such counsel dated the Closing Date and addressed to the Underwriter and the Federal Home Loan Mortgage Corporation ("Freddie Mac");

(ii) opinions or certificates, as the case may be, dated the Closing Date and addressed to the Underwriter and to such other parties as may be appropriate, (including, in the case of the opinions referred to in clauses (A) and (B), reliance letters addressed to the Borrower) of:

(A) Bond Counsel, substantially in the form attached hereto as Appendix A;

(B) Borrower's Counsel, in the form and substance acceptable to the Underwriter and its counsel, Freddie Mac, and Bond Counsel, attached hereto as Appendix B;

(C) Issuer's Counsel, in the form and substance acceptable to the Underwriter and its counsel and Bond Counsel; and

(D) Trustee's Counsel, in the form and substance acceptable to the Underwriter and its counsel and Bond Counsel.

(iii) the Borrower's 15c2-12 Certificate, duly executed by the Borrower, attached hereto as Appendix C;

(iv) a certificate, dated the Closing Date and signed on behalf of the Issuer, delivered to the Underwriter and the Borrower, to the effect that:

(A) Except as disclosed in the Official Statement, the Issuer has received no notice of any action, suit, proceeding, inquiry or investigation, at law or in equity, by or before any court, public board or body, pending or threatened against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would: (a) affect the creation, existence or powers of the Issuer, or the title to the office of the officers who are required to execute any of the Issuer Documents thereof, (b) limit, enjoin or restrain the issuance,

sale and delivery of the Bonds, or the payment, collection or application of the revenues and limit, enjoin or restrain other moneys and securities pledged or to be pledged under the Indenture or the pledge thereof, (c) any of the rights, powers, duties or obligations of the Issuer with respect to the moneys and assets pledged or to be pledged to pay the principal of or redemption price, if any, or interest on the Bonds, (d) question or affect the authority for or validity of the Bonds, the Issuer Documents or the Resolution, or (e) question or affect its obligations as contemplated by any other agreement or instrument related to the Bonds to which the Issuer is a party;

(B) the Issuer has complied or will comply with, as advised by Bond Counsel, all agreements, covenants and arrangements and has satisfied all conditions on its part to be complied with, performed or satisfied in connection with the issuance and delivery of the Bonds at or prior to the Closing Date;

(C) the representations and warranties of the Issuer contained herein, in the Issuer Documents, are true, complete and correct in all material respects as of the Closing Date; and

(D) the statements contained in the Official Statement under the captions "THE ISSUER" and "ABSENCE OF LITIGATION — The Issuer," are true and correct in all material respects;

(v) a certificate of the Issuer and the Borrower as to arbitrage and other federal tax matters in form and substance acceptable to the Issuer, Bond Counsel and the Underwriter;

(vi) a certificate of the Borrower, dated the Closing Date, that (A) each of the Borrower's representations and warranties set forth in the Borrower Documents (including this Bond Purchase Agreement) is true and correct in all material respects on the Closing Date with the same effect as if made on the Closing Date, (B) the Borrower Documents are in full force and effect and have not been amended, modified or supplemented, (C) to the knowledge of the Borrower, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect, and (D) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents at or prior to the Closing Date;

(vii) a certificate of the Trustee, dated the Closing Date, that (A) the Trustee is a national banking association duly organized and existing under the laws of the United States, with trust and fiduciary powers in the State, and has full power and authority and is qualified to undertake the trusts of the Indenture, to execute and deliver the Trustee Documents and to perform its obligations thereunder and (B) the Trustee has duly authenticated and delivered the Bonds in accordance with the terms of the Indenture;

(viii) a certificate of Freddie Mac, substantially in the form attached hereto as Appendix E hereto.

(ix) counterpart originals or certified copies of each of the Issuer Documents, Borrower Documents and Trustee Documents;

(x) written evidence satisfactory to the Underwriter that the Rating Agency has issued a rating of “[Aaa]” for the Series A Bonds and a rating of “[Aaa/VMIG 1]” for the Series B Bonds and such rating shall be in effect on the Closing Date;

(xi) such agreements, certificates and opinions as requested by the Underwriter to evidence the closing of the Loan; and

(xii) such additional legal opinions, certificates (including any certificates necessary or desirable in order to establish the exclusion of the interest on the Bonds from gross income for federal income tax purposes), instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Issuer’s representations herein and in the Official Statement and the due performance or satisfaction by the Issuer at or prior to such date of all agreements then to be performed, and all conditions then to be satisfied by the Issuer.

If the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, neither the Underwriter, nor the Issuer shall be under further obligation hereunder.

SECTION 9. Expenses

The Underwriter shall be under no obligation to pay, and the Borrower hereby agrees to pay from funds available at Closing other than proceeds of the Bonds, all expenses incident to the performance of the Issuer’s obligations hereunder, including, but not limited to, (a) the costs of printing and preparation for printing or other reproduction for distribution and use in connection with the offering and placement of the Bonds, such number of copies as the Underwriter shall require of the Indenture, the Resolution and the Official Statement, as well as any delivery costs incurred in connection with the distribution of the foregoing documents; (b) the cost of preparing the definitive Bonds; (c) the fees and disbursements of Bond Counsel in connection with the authorization and issuance of the Bonds; the fees and expenses of the Trustee and its counsel; the fees and expenses of the Issuer and its counsel; the fees and expenses of counsel to the Underwriter; (d) the fees of the Rating Agency in connection with the rating of the Bonds; (e) all advertising expenses in connection with the public offering of the Bonds; (f) any other expenses of the Underwriter (other than those required hereunder to be paid solely by the Underwriter); and (g) all other expenses in connection with the offer, sale and placement of the Bonds. The Issuer shall not have any obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds. Notwithstanding anything to the contrary, in the event the transaction contemplated hereby does not close, the Borrower shall pay all fees and expenses incurred in connection with the transaction.

The Borrower acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred in connection with the issuance of the Bonds. The Borrower has agreed to pay the Underwriting Fee set forth in Section 1 of this Bond Purchase Agreement, and inclusive in the expense component of the Underwriting Fee are actual expenses incurred or paid for by the Underwriter on behalf of the Borrower in connection with the marketing, issuance, and delivery of the Bonds, including, but not limited to, advertising expenses, the costs of any preliminary and final blue sky memoranda, CUSIP fees, and transportation, lodging, and meals for the Borrower’s employees and representatives.

SECTION 10. Notices

Any notice or other communication to be given to the Issuer or the Borrower at the respective addresses set forth on the first page hereof and any such notice or other communication to be given to the

Underwriter may be given by mailing the same to Stifel, Nicolaus & Company, Incorporated, 639 Loyola Avenue, Suite 200, New Orleans, LA 70113, Attention: John Sabatier.

SECTION 11. Parties in Interest

This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Borrower and the Underwriter (including any successor or assignees of the Underwriter), and, except as provided in Section 6 hereof, no other party or person shall acquire or have any right hereunder or by virtue hereof.

SECTION 12. Amendments

This Bond Purchase Agreement may not be amended without the written consent of the Issuer, the Borrower and the Underwriter.

SECTION 13. Survival of Representations and Warranties

The representations and warranties of the Issuer and the Borrower shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Issuer and the Borrower and regardless of delivery of and payment for the Bonds.

SECTION 14. Execution in Counterparts

This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 15. No Prior Agreements

This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Issuer.

SECTION 16. Effective Date

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and the Borrower and shall be valid and enforceable as of the time of such acceptance.

SECTION 17. Governing Law

This Bond Purchase Agreement shall be governed by the internal laws of the State without giving effect to the conflict of law principles of the State.

SECTION 18. Underwriter Not Acting as Advisor or Fiduciary

The Issuer and the Borrower each acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the Issuer, the Borrower, and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the Issuer or the Borrower, (iii) the Underwriter has not assumed individually or collectively

any advisory or fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has advised or provided other services or is currently advising or providing other services to the Issuer or the Borrower on other matters) and the Underwriter has no obligation to the Issuer or the Borrower with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement and (iv) the Issuer and the Borrower have consulted their own legal, financial, accounting, tax and other advisors to the extent they deem appropriate in connection with the offering of the Bonds. The primary role of the Underwriter is to purchase the Bonds for resale to investors in an arm's-length commercial transaction between the Issuer and the Underwriter. The Underwriter has financial and other interests that differ from those of the Issuer.

SECTION 19. Prohibition on Boycotts

By entering into this Purchase Contract, the Underwriter certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Purchase Contract will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Underwriter understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

[Signature pages to follow]

If the foregoing is in accordance with your understanding of the Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the Issuer, the Borrower, the Underwriter in accordance with its terms.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____

John Sabatier
Managing Director

[Signatures continue on next page]

[Issuer Signature Page to the Bond Purchase Agreement]

**FAIRFAX COUNTY REDEVELOPMENT AND
HOUSING AUTHORITY**

By: _____
Lenore Stanton
Chair

[Signatures continue on next page]

[Borrower Signature Page to the Bond Purchase Agreement]

RGC2 SOUTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Southwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

SCHEDULE I

**AMOUNT, MATURITY, INITIAL MANDATORY TENDER DATE AND
INITIAL INTEREST RATE**

**Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A**

<u>Dated Date</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
October ____, 2024	November 1, 2044	[\$11,310,000]	__%	100%

**Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B**

<u>Dated Date</u>	<u>Initial Mandatory Tender Date</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
October ____, 2024	November 1, 2027	November 1, 2028	[\$3,190,000]	__%	100%

APPENDIX A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

October __, 2024

Stifel, Nicolaus & Company, Incorporated
New Orleans, Louisiana

Re: \$[11,310,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024A (the "Series A Bonds") and the \$[3,190,000] Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (Residences at Government Center 2 - SW4) Series 2024B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Fairfax County Redevelopment and Housing Authority (the "Authority"), a political subdivision of the Commonwealth of Virginia, organized and existing under the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended (the "Act"), of the above-referenced bonds (the "Bonds"). The Bonds are being issued pursuant to the Act, a resolution adopted by the Commissioners of the Authority on October __, 2024, and a Trust Indenture dated as of October 1, 2024 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined shall have the meanings as set forth in the Indenture.

In connection with rendering this supplemental opinion, we have reviewed (i) the Preliminary Official Statement and the Official Statement (collectively, the "Official Statement") prepared in connection with the offering of the Bonds, (ii) the Indenture, (iii) the Financing Agreement dated as of October 1, 2024 between the Authority and RGC2 Southwest 4 Owner LLC (the "Borrower"), (iv) the Land Use Restriction Agreement dated as of October 1, 2024 (the "Regulatory Agreement") among the Authority, the Borrower and the Trustee, (v) the Bond Purchase Agreement dated October __, 2024 (the "Bond Purchase Agreement") among the Authority, the Borrower, and Stifel, Nicolaus & Company, Incorporated, as the Underwriter, and (vi) such other documents, certificates and opinions to the extent we deemed necessary to render the opinions and conclusions set forth herein.

As to questions of fact material to our opinion, we are relying upon (i) representations of the Authority and the Borrower contained in the documents underlying the issuance of the Bonds, (ii) certified proceedings and other certificates of public officials furnished to us and (iii) other certifications and opinions given to us, without undertaking to verify any of the foregoing by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents, written opinions and other proceedings provided to us, the authenticity of all documents submitted to us as originals, the genuineness of all signatures appearing on documents we have examined, the conformity to the originals of all documents submitted to us as certified or photostatic copies and the legal capacity of natural persons executing all executed documents.

Based on the foregoing, we are of the opinion as of the date hereof that:

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms; provided that enforceability of the Bond Purchase Agreement is subject to and may be limited by the provisions of bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally, now or hereafter in effect, general principals of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and the limitations on legal remedies against political subdivisions in the Commonwealth of Virginia.

2. The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the "1933 Act") and, accordingly, the offer and sale thereof do not require registration under the 1933 Act or qualification of the Indenture under the Trust Indenture Act of 1939, as amended. No opinion is expressed with respect to the necessity of the registration of the Bonds under the "blue sky" or securities laws of any state, territory or possession of the United States or of the Commonwealth of Virginia.

3. The information contained in the Official Statement under the captions "THE BONDS" (excluding the information set forth under the subcaptions "Book-Entry-Only System" therein), "SECURITY FOR THE BONDS" and "TAX MATTERS," and the information in "APPENDIX A – DEFINITIONS OF CERTAIN TERMS," "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT," "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT" and "APPENDIX H – FORM OF BOND COUNSEL OPINION" insofar as such information purports to summarize the Indenture, the Financing Agreement, the Regulatory Agreement, the Bonds and the Federal and Commonwealth of Virginia treatment of interest on the Bonds for income tax purposes, fairly summarize the documents and legal matters referred to therein.

This opinion is rendered for the sole benefit of the addressees listed above, and may not be delivered or circulated to any other parties or relied upon by any other parties without our prior written consent.

The opinions and conclusions set forth herein may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur, and we disclaim any obligations to update this letter. Our engagement with respect to the Bonds has concluded with their issuance.

Very truly yours,

APPENDIX B

FORM OF OPINION OF COUNSEL TO BORROWER

October __, 2024

Stifel, Nicolaus & Company, Incorporated
New Orleans, Louisiana

Fairfax County Redevelopment and Housing Authority
Fairfax, Virginia

\$[11,310,000]
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A

\$[3,190,000]
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B

Ladies and Gentlemen:

We have acted as counsel to RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), in connection with the issuance of the above-captioned bonds (the “Bonds”) by the Fairfax County Redevelopment and Housing Authority (the “Issuer”).

Capitalized terms used but not defined herein have the meanings assigned to them in the Indenture of Trust dated as of October 1, 2024, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), or the hereinafter-defined Bond Purchase Agreement.

In our capacity as such counsel, in rendering the opinions set forth below, we have examined, among other things, originals or copies, certified or otherwise identified to our satisfaction, of the following documents: (i) the Preliminary Official Statement, dated October __, 2024, of the Issuer relating to the Bonds (the “Preliminary Official Statement”); (ii) the Official Statement, dated October __, 2024, of the Issuer relating to the Bonds (the “Official Statement”); (iii) the Land Use Restriction Agreement, among the Issuer, the Trustee and the Borrower, dated as of October 1, 2024; (iv) the Financing Agreement, dated as of October 1, 2024, by and among the Issuer, the Trustee and the Borrower; (v) the Bond Purchase Agreement, dated October __, 2024, among the Issuer, the Underwriter named therein and the Borrower (the “Bond Purchase Agreement”); (vi) the Continuing Disclosure Agreement, dated as of October 1, 2024, between the Borrower and the Dissemination Agent named therein; (vii) the Remarketing Agreement, dated as of October 1, 2024, between the Borrower and the Remarketing Agent named therein; (viii) the Bond Note, dated the Closing Date, executed by the Borrower; (ix) the Certificate as to Arbitrage of the Borrower and the Issuer and the Certificate Regarding Use of Proceeds, each dated October __, 2024, and executed and delivered by the Borrower; and (x) such other documents, certificates and instruments as we have deemed necessary for the purposes of reaching the opinion expressed herein. We have also relied as to matters of fact upon a certificate of the Borrower and examined certain other certificates and documents.

In such examination, we have assumed the genuineness of all signatures (other than those relating to the Borrower), the authenticity of all documents submitted to us as originals, and the conformity to the original document of all documents submitted to us as photostatic or certified copies. We have assumed

due authorization, execution and delivery of all documents referenced herein by the parties thereto other than the Borrower and that each of such parties has full power, authority and legal right to execute and deliver each such instrument.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof:

(i) The Borrower (a) is a limited liability company validly existing under the laws of the Commonwealth of Virginia (the "State"), (b) is in good standing and duly qualified to transact business in the State, and (c) has full power and authority to execute and deliver the documents listed above numbered (iii) through (ix) (the "Financing Documents") and the Official Statement and to perform its obligations under each respective agreement.

(ii) The Financing Documents and the Official Statement have each been duly authorized, executed and delivered by the Borrower and the Financing Documents constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as the enforcement thereof may be limited by (a) applicable bankruptcy, insolvency, moratorium, reorganization and similar laws (including fraudulent conveyance laws) affecting the enforcement of creditors' rights and remedies generally in effect from time to time, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iii) The execution and delivery of the Financing Documents and the performance by the Borrower of the terms of the respective agreements do not conflict with or violate any other document, instrument, decree, indenture or agreement by which the Borrower is bound.

(iv) No approval, authorization or other action by, or filing with, the State or any agency thereof, is required in connection with the execution and delivery by the Borrower of the Bond Purchase Agreement.

(v) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before any court or public body pending or, to the best of our knowledge, threatened, to challenge the right, power or authority of the Borrower to acquire, own and operate the Project or to perform its obligations under the Bond Purchase Agreement or the other Financing Documents.

(vi) The information in the Preliminary Official Statement and the Official Statement under the captions, "PRIVATE PARTICIPANTS," "THE PROJECT," "CONTINUING DISCLOSURE" and "ABSENCE OF LITIGATION – The Borrower" does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading as of the date hereof.

We express no opinion as to any matter whatsoever, relating to the accuracy or completeness of any financial accounting or projection information furnished to any party, the accuracy or completeness of any representation made by our clients, the financial status of our clients, the ability of our clients to meet their obligations under any of the above-referenced agreements or any other related document.

APPENDIX C

FORM OF RULE 15c2-12 CERTIFICATE

**[\$11,310,000]
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A**

**[\$3,190,000]
Fairfax County Redevelopment and Housing
Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B**

The undersigned hereby certifies and represents to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) that he is authorized to execute and deliver this certificate on behalf of RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), and hereby further certifies to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the issuance and sale of the above captioned bonds (the “Bonds”).

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement dated October __, 2024, setting forth information concerning the Bonds and the Borrower (the “Preliminary Official Statement”).

(c) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), accreted values, yield to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the issuance and sale of the Bonds.

(d) The Preliminary Official Statement is, as of the date thereof, deemed final within the meaning of the Rule, except for Permitted Omissions.

(e) The section of the Preliminary Official Statement entitled “CONTINUING DISCLOSURE” describes the agreement the Borrower expects to make for the benefit of the Bondholders in the Continuing Disclosure Agreement dated as of October 1, 2024, by and between the Borrower and The Bank of New York Mellon Trust Company, N.A., in its capacity as dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with the Rule.

Dated: October __, 2024

[Signature page to Rule 15c2-12 Certificate]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date set forth above.

RGC2 SOUTHWEST 4 OWNER LLC,
a Virginia limited liability company

By: RGC2 Southwest 4 MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Russell Condas
Vice President

APPENDIX D

FORM OF ISSUE PRICE CERTIFICATE

[\$11,310,000]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A

[\$3,190,000]
Fairfax County Redevelopment and Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024B

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I attached to the Bond Purchase Agreement dated October __, 2024, among the Underwriter, RGC2 Southwest 4 Owner LLC, a Virginia limited liability company (the “Borrower”), and Fairfax County Redevelopment and Housing Authority (the “Issuer”).

2. Defined Terms.

(a) “*Issuer*” means the Fairfax County Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia.

(b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a related party to the Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. Weighted Average Maturity. The weighted average maturity of the Bonds is ____ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the Borrower with respect to certain of the representations set forth in the Tax Compliance Agreement and No Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ballard Spahr LLP, Bond Counsel, in connection with rendering its opinion that the

interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Bonds.

Dated: October __, 2024

[Signature page to Issue Price Certificate]

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
John Sabatier
Managing Director

[Signatures continue on next page]

[Signature page to Issue Price Certificate]

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Z. Jason Barnett
Managing Director

APPENDIX E

CLOSING CERTIFICATE OF FREDDIE MAC

CERTIFICATE OF FEDERAL HOME LOAN MORTGAGE CORPORATION

**Relating to certain information
contained in the
Official Statement
for**

**[\$11,310,000]
Fairfax County Redevelopment Housing Authority
Multifamily Housing Revenue Bonds
(Residences at Government Center 2 - SW4)
Series 2024A**

October __, 2024

This Certificate of Federal Home Loan Mortgage Corporation (“Freddie Mac”) is being executed and delivered on behalf of Freddie Mac by the undersigned, an authorized officer of Freddie Mac. The undersigned certifies, on behalf of Freddie Mac, that the attached information regarding Freddie Mac is accurate and may be included in the Preliminary Official Statement and final Official Statement for the bonds described above (the “Bonds”).

Attachment

[Signature Appears on the Following Page]

IN WITNESS WHEREOF, Freddie Mac has caused this Certificate to be duly executed by its duly authorized officer or representative as of the date first written above.

**FEDERAL HOME LOAN MORTGAGE
CORPORATION**

By: _____
Rick Hoogstraten
Underwriting Manager
Structured Products
Multifamily Division

[SIGNATURE PAGE TO RELATED – RESIDENCES AT GOVERNMENT CENTER SW4 FREDDIE MAC
CERTIFICATE/OS]

ATTACHMENT TO THE FREDDIE MAC CERTIFICATE

FREDDIE MAC

The information presented under this caption “FREDDIE MAC” has been supplied by Freddie Mac. None of the Issuer, the Trustee, the Owner or the Underwriter has independently verified such information, and none assumes responsibility for the accuracy of such information. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.

General

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act (the “Freddie Mac Act”). Freddie Mac’s statutory mission is to provide liquidity, stability and affordability to the housing market in the United States of America (the “U.S.”). Freddie Mac does this primarily by purchasing residential mortgages originated by lenders. In most instances, Freddie Mac packages these mortgages into mortgage-related securities, which are guaranteed by Freddie Mac and sold in the global capital markets. In addition, Freddie Mac transfers mortgage credit risk exposure to private investors through its credit risk transfer programs, which include securities- and insurance-based offerings. Freddie Mac also invests in mortgage and mortgage-related securities. Freddie Mac does not originate mortgage loans or lend money directly to borrowers.

Although Freddie Mac is chartered by Congress, Freddie Mac alone is responsible for making payments on its securities and obligations. Freddie Mac’s payment obligations under the Credit Enhancement Agreement are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.

Freddie Mac’s statutory mission, as defined in its charter, is to:

- Provide stability in the secondary market for residential mortgages;
- Respond appropriately to the private capital market;
- Provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and
- Promote access to mortgage credit throughout the U.S. (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Conservatorship

Freddie Mac continues to operate under the conservatorship that commenced on September 6, 2008, conducting its business under the direction of the Federal Housing Finance Agency (“FHFA”), Freddie Mac’s conservator (the “Conservator”). To address deficits in Freddie Mac’s net worth, FHFA, as Conservator, entered into a senior preferred stock purchase agreement (as amended, the “Purchase Agreement”) with the U.S. Department of the Treasury (“Treasury”), and (in exchange for an initial commitment fee of senior preferred stock and warrants to purchase common stock) Treasury made a commitment to provide funding, under certain conditions. Freddie Mac is dependent upon the continued

support of Treasury and FHFA in order to continue operating its business. Freddie Mac's ability to access funds from Treasury under the Purchase Agreement is critical to keeping Freddie Mac solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions. See the Incorporated Documents for additional information regarding Freddie Mac's conservatorship, the Purchase Agreement and the uncertainty surrounding Freddie Mac's future.

Additional Information

Freddie Mac's common stock is registered with the U.S. Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 ("Exchange Act"). As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC.

As described below, Freddie Mac incorporates certain documents by reference in this Official Statement, which means that Freddie Mac is disclosing information to you by referring you to those documents rather than by providing you with separate copies. Freddie Mac incorporates by reference in this Official Statement (1) its most recent Annual Report on Form 10-K, filed with the SEC; (2) all other reports Freddie Mac has filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K, excluding any information "furnished" to the SEC on Form 8-K; and (3) all documents that Freddie Mac files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering of the related Bonds, excluding any information Freddie Mac "furnishes" to the SEC on Form 8-K.

These documents are collectively referred to as the "Incorporated Documents" and are considered part of this Official Statement. You should read this Official Statement in conjunction with the Incorporated Documents. Information that Freddie Mac incorporates by reference will automatically update information in this Official Statement. Therefore, you should rely only on the most current information provided or incorporated by reference in this Official Statement.

You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains an internet website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

Freddie Mac makes no representations as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Credit Enhancement Agreement.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT (this “**Agreement**”) is dated as of [_____] 1, 20__] and is made among **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY** (the “**Issuer**”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, in its capacity as trustee (the “**Trustee**”), and **FEDERAL HOME LOAN MORTGAGE CORPORATION** (“**Freddie Mac**”).

RECITALS

Pursuant to, and in accordance with, the provisions of the Housing Authorities Law, Title 36, Chapter 1, Code of Virginia of 1950, as amended, and in accordance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “**Code**”), the Issuer has issued its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024A (the “**Series A Bonds**” or the “**Bonds**”) and its Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4 Project), Series 2024B (the “**Series B Bonds**”) in the aggregate principal amount of [\$_____]. The Bonds were issued pursuant to the Trust Indenture dated as of [October 1, 2024] between the Issuer and the Trustee (the “**Indenture**”). The proceeds of the Bonds were used by the Issuer to fund a loan (defined as the Bond Loan in the Indenture and defined herein as the “**Bond Mortgage Loan**”) to RGC2 Southwest 4 Owner LLC, a limited liability company duly organized and existing under the laws of the Commonwealth of Virginia (the “**Borrower**”) under a Financing Agreement dated as of [October 1, 2024], among the Issuer, the Trustee and the Borrower (the “**Financing Agreement**”), and used by the Borrower for the sole and exclusive purpose of financing the acquisition, construction and equipping of a 69-unit multifamily housing project located in Fairfax, Virginia, known as Residences at Government Center II – SW4, which property is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “**Project**”). The Series B Bonds have been paid in full and only the Series A Bonds remain outstanding and are currently outstanding in the principal amount of \$[_____].

The Borrower’s outstanding repayment obligations as of the date hereof with respect to the Bond Mortgage Loan are evidenced by a Multifamily Note, dated October __, 2024 (defined as the Bond Note in the Indenture and defined herein as the “**Bond Mortgage Note**”) from the Borrower to the Issuer, as such has been assigned to the Trustee.

To secure the Borrower’s outstanding obligations under the Bond Mortgage Note as of the date hereof, the Borrower has executed and delivered for the benefit of the Trustee a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof (the “**Bond Mortgage**”) encumbering the Project, which Bond Mortgage has been recorded in the official records of Fairfax County, Virginia (the “**Official Records**”) prior to the recordation of this Agreement. The Issuer assigned certain of its rights under the Financing Agreement and the Bond Mortgage to the Trustee pursuant to the Indenture.

The Borrower has requested that Freddie Mac execute and deliver to the Trustee a Credit Enhancement Agreement dated as of [_____] 1, 20__] (the “**Credit Enhancement Agreement**”) to provide payment for and secure the payment of amounts owing under the Financing Agreement sufficient to pay the principal and interest on the Bonds. Freddie Mac is executing and delivering the Credit Enhancement Agreement concurrently with the execution of this Agreement.

To evidence the Borrower's reimbursement obligations to Freddie Mac as a result of payments made by Freddie Mac under the Credit Enhancement Agreement, the Borrower and Freddie Mac are entering into a Reimbursement and Security Agreement (the "**Reimbursement Agreement**") contemporaneously with the execution of this Agreement.

The Borrower's obligations to Freddie Mac under the Reimbursement Agreement will be secured by a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date (the "**Reimbursement Mortgage**"), encumbering the Project, which Reimbursement Mortgage will be recorded in the Official Records immediately after the recordation of the Bond Mortgage.

It is a condition to the delivery of the Credit Enhancement Agreement by Freddie Mac that the rights of the Issuer, the Trustee and Freddie Mac to enforce remedies under the Bond Mortgage and the Reimbursement Mortgage, respectively, be established between and among the parties hereto.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises contained herein and in order to induce Freddie Mac to execute and deliver the Credit Enhancement Agreement and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. *Defined Terms.* Unless otherwise defined herein, or unless the context clearly indicates otherwise, each term used in this Agreement including in the Recitals set forth above, and which is defined in the Indenture or the Reimbursement Agreement, as applicable, shall have the meaning given to such term by the Indenture or the Reimbursement Agreement.

As used herein, the following terms shall have the meanings set forth below:

"Bond Documents" means, collectively, the Indenture, the Bonds, the Financing Agreement, the Bond Mortgage Note, the Tax Regulatory Agreement, the Bond Mortgage, this Agreement and any other document evidencing or securing the Bonds as such documents shall be amended, modified or supplemented from time to time.

"Bond Mortgage Loan" means the loan in the original amount of \$[____], of which \$[____] is outstanding on the date hereof, by the Issuer to the Borrower pursuant to the Financing Agreement, as evidenced by the Bond Mortgage Note and commencing on the date hereof, secured by the Bond Mortgage. For the avoidance of doubt, the Bond Mortgage Loan and the Bond Loan defined in the Indenture are the same loan.

"Bond Mortgage Note" means the Multifamily Note dated [October __, 2024] delivered by the Borrower to the Issuer in the original principal amount of \$[____], of which \$[____] is outstanding on the date hereof, together with all riders and addenda thereto, evidencing the Borrower's obligation to repay the Bond Mortgage Loan, as the same may be amended, modified or supplemented from time to time, which promissory note has been assigned by the Issuer to the Trustee pursuant to the Indenture. For the

avoidance of doubt, the Bond Mortgage Note and the Bond Note defined in the Indenture are the same note.

“*Credit Enhancement Documents*” means, collectively, the Reimbursement Agreement, the Reimbursement Mortgage, the Pledge Agreement with respect to the Bonds, and any other document evidencing or securing the obligations of the Borrower pursuant to the Reimbursement Agreement.

“*Tax Regulatory Agreement*” means the Land Use Restriction Agreement dated as of [October] 1, 2024 by and among the Borrower, the Issuer and the Trustee, to be recorded immediately prior to the Bond Mortgage in the Official Records, together with all supplements thereto.

“*Wrongful Dishonor*” means the failure of Freddie Mac to honor a draw made in accordance with the terms of the Credit Enhancement Agreement (which draw strictly complies with, and conforms to, the terms and conditions of the Credit Enhancement Agreement).

SECTION 2. *Rules of Construction.* The words “hereof,” “herein,” “hereunder,” “hereto,” and other words of similar import refer to this Agreement in its entirety.

The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, Sections, and other subdivisions of this Agreement as originally executed. Reference herein to any document or instrument shall be deemed to include any amendments or supplements to, or restatements of, such documents or instrument.

The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

SECTION 3. *Exercise of Rights and Remedies by Freddie Mac.*

A. Until either a Wrongful Dishonor has occurred and is continuing, or the Credit Enhancement Agreement terminates in accordance with its terms and all of the Borrower’s obligations to Freddie Mac under the Reimbursement Agreement shall have been paid in full:

(i) Except as provided in Sections 3(C) and 3(D), without the prior written consent of Freddie Mac, neither the Trustee nor the Issuer may exercise any of its rights and remedies as beneficiary under the Bond Mortgage or as a secured party with respect to the liens and security interests created by the Financing Agreement or take any action to cause a redemption or mandatory tender of the Bonds or to declare the outstanding balance of the Bonds or the Bond Mortgage Note to be due pursuant to the Indenture or the Financing Agreement or to foreclose the lien of the Bond Mortgage, to seek the

appointment of a receiver or to collect rents or realize upon any other collateral held as security for the Bonds, declare a default or event of default, or file or join in the filing of any judicial proceeding to collect the indebtedness secured by the Bond Mortgage.

(ii) Any and all consents and approvals of the Trustee as beneficiary required under the Bond Mortgage shall be given only with the prior written consent Freddie Mac, in its sole discretion.

(iii) Freddie Mac and the Trustee shall each be named as a mortgagee on all fire, extended coverage and other hazard insurance policies required under the Bond Mortgage and all proceeds shall be held and applied by Trustee in accordance with this paragraph. The application of the proceeds of insurance or condemnation (“**Insurance/Condemnation Proceeds**”) shall be solely as directed by Freddie Mac in accordance with the terms of the Reimbursement Mortgage and subject to the requirement that excess proceeds remaining after the use of such Insurance/Condemnation Proceeds for the repair, restoration, rebuilding or alteration of the Project and for payment of costs incurred by Freddie Mac in connection with such casualty or condemnation shall be deposited with the Trustee and applied in accordance with the Indenture to reimburse Freddie Mac for a drawing upon the Credit Enhancement Agreement for the purpose of redeeming the Bonds in accordance with the Indenture

(iv) Except as provided in Sections 3(C) and 3(D), any and all demands permitted to be made by the beneficiary under the terms of the Bond Mortgage shall be made only by or at the written direction of Freddie Mac in its sole discretion (the beneficiary may request, however, that Freddie Mac, in its discretion, provide such direction).

(v) Except as provided in Sections 3(C) and 3(D), Freddie Mac, in its sole discretion, shall have the sole right to direct the Trustee to waive or forbear any term, condition, covenant or agreement of the Bond Mortgage applicable to the Borrower as Trustor, or any breach thereof, other than a covenant that might adversely impact the tax-exempt status of the Bonds.

(vi) Except as provided in Sections 3(C) and 3(D), Freddie Mac shall control all of the Bond Mortgage Rights (as such term is defined below) and Freddie Mac shall have the right, power and authority to direct the Trustee with respect to all decisions in connection with the Bond Mortgage, which pursuant to its terms may be made by the beneficiary, except Freddie Mac shall *not* have the right to direct the Trustee to take or refrain from taking action that would adversely impact the tax-exempt status of the Bonds. The parties hereto agree that although all Bond Mortgage Loan payments are required to be made semiannually, the Borrower has agreed to make monthly payments under the Reimbursement Agreement to the Servicer in the manner and at the times set forth in the Reimbursement Agreement. “**Bond Mortgage Rights**” collectively means, with respect to the Bond Mortgage Loan, all rights of the Issuer, the Trustee and/or the beneficiary under the Bond Mortgage (other than those rights specifically excluded below) including without limitation, the right to receive any and all Bond Mortgage Loan payments thereunder and all of the rights and interests under the Bond Mortgage, and to vest in its independent contractor, including the Servicer, such rights, powers and authority as may be necessary to implement any of the foregoing; “**Bond Mortgage**

Rights” does not mean, and expressly excludes (a) the Issuer’s rights under Sections 2.4, 2.5, 4.2, 4.3, 6.1 and 7.4 of the Financing Agreement; (b) the right to receive payments relating to the redemption premium of a redeemed Bond; (c) the Issuer’s and the Trustee’s right to require the Borrower to pay rebate, meet continuing disclosure requirements and the right to specifically enforce the Tax Regulatory Agreement; (d) the Trustee’s rights to specifically enforce the Borrower’s obligations to make payments owing to the Trustee pursuant to Sections 2.4, 2.5, 4.2, 4.3, 6.1 and 7.4 of the Financing Agreement; and (e) any right of the Issuer to be indemnified pursuant to the Bond Documents; *provided, however*, that the enforcement of such rights of the Trustee or the Issuer is limited as provided in Sections 3(C) and 3(D) (such rights are referred to herein as the “**Mortgage Retained Rights**”).

(vii) The Trustee and the Issuer covenant and agree neither to file nor join in the filing of any involuntary petition involving the Borrower under the federal bankruptcy laws or other federal or state reorganization, receivership, insolvency or similar proceeding without the prior written consent of Freddie Mac.

(viii) Neither the Trustee nor the Issuer shall acquire by subrogation, contract or otherwise any lien upon or other estate, right or interest in the Project or any rents or revenues therefrom that are not subject to the terms of this Agreement.

(ix) Upon the initiation of any liquidation or reorganization of the Borrower or any of the entities comprising Borrower or any of the partners of any such entity (Borrower and all such entities and partners hereinafter collectively referred to as the “**Borrower Parties**”) in or by the filing of any bankruptcy, insolvency or receivership proceeding or upon the initiation of any involuntary liquidation, dissolution or reorganization proceeding involving a Borrower Party, then, in any such case, any payment or distribution, whether in cash, property or securities, to which Trustee or Issuer would be entitled pursuant to the Indenture, Bond Mortgage Note, Financing Agreement or Bond Mortgage, shall instead be paid over to Freddie Mac for application as provided in the Reimbursement Agreement until all amounts due to Freddie Mac under the Reimbursement Agreement have been paid in full.

(x) The Trustee and the Issuer irrevocably authorize Freddie Mac to take any action (but Freddie Mac has *no* obligation to take any such action, in which case the Trustee or the Issuer may proceed) with respect to any payment or distribution, whether in cash or securities, as described in Section (ix) above (in the name of Freddie Mac or in the name of the Trustee or Issuer, as Freddie Mac may deem necessary or advisable for the enforcement of the provisions of this Agreement):

(1) demand, sue for, collect and receive every such payment or distribution described in Section (ix),

(2) file claims and proofs of claims in any statutory or non-statutory proceeding,

(3) vote the full amount of the Bond Mortgage Loan in its sole discretion in connection with any resolution, arrangement, plan of reorganization, compromise, settlement or extension, and

(4) take all such other action (including, without limitation, the right to participate in any composition of creditors and the right to vote the amount of the Bond Mortgage Loan at creditors' meetings for the election of trustees, acceptances of plans and otherwise), as Freddie Mac may deem necessary or advisable for the enforcement of the provisions of this Agreement.

The Trustee and the Issuer agree, upon the initiation of any liquidation or reorganization of any Borrower Party by the filing of any bankruptcy, insolvency or receivership proceeding or upon the initiation of any involuntary liquidation, dissolution or reorganization proceeding involving a Borrower Party, and at the sole expense of the Borrower or if the Borrower fails to pay, at the expense of Freddie Mac, promptly

(1) to take such action as may be requested at any time by Freddie Mac to deliver any instruments required to collect the amount of the Bond Mortgage Loan, on demand therefor, and

(2) to execute and deliver such powers of attorney (only with respect to the Trustee), assignments or other instruments as may be requested by Freddie Mac in order to enable Freddie Mac to enforce any and all claims upon or in respect of the Bond Mortgage Loan and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or in respect of the Bond Mortgage Loan.

Nothing herein contained shall be deemed to preclude the Trustee and the Issuer from appearing or being heard in any bankruptcy, insolvency, or other similar proceedings affecting a Borrower Party, nor from collecting from a Borrower Party the full Bond Mortgage Loan amount due to the Trustee and the Issuer (through subrogation to the rights of Freddie Mac or otherwise) after all amounts due to Freddie Mac under the Reimbursement Agreement and Reimbursement Mortgage shall have been paid in full nor from enforcing, in accordance with this Agreement, the Mortgagee Retained Rights.

For purposes of this Agreement, Freddie Mac's claim or entitlement in any bankruptcy proceeding for post-petition interest shall be senior to the Bond Mortgage Loan and the Bonds and subject to the rights, benefits, terms and provisions of this Agreement as if it were part of the Reimbursement Agreement obligations. The Trustee and the Issuer hereby agree not to seek adequate protection payments in any Borrower or Borrower Party bankruptcy proceeding without the prior written consent of Freddie Mac, which may be granted or withheld by Freddie Mac in its sole discretion. Further, at the sole expense of the Borrower or if the Borrower fails to pay, at the expense Freddie Mac, the Trustee and the Issuer agree to join, and not object to, or otherwise contest any request for relief from the automatic stay of 11 U.S.C. § 362 requested by Freddie Mac in any bankruptcy proceeding of the Borrower, in order to enable Freddie Mac to foreclose or exercise any of its rights or remedies under the Reimbursement Mortgage to the Project.

The authorization of Freddie Mac set forth above in this subsection (x) shall not obligate Freddie Mac to take any such action.

(xi) Upon the occurrence and during the continuation of a default by the Borrower under the Reimbursement Mortgage, all amounts payable (including, but not limited to, any payment pursuant to an assignment of rents) under the Reimbursement Mortgage shall be paid to Freddie Mac (or the then owner of the Reimbursement Mortgage) in full before any payment or distribution, whether in cash or in other property, shall be made to Trustee or Issuer for the purpose of making Bond Mortgage Loan payments under the Financing Agreement. During the continuation of any default under the Reimbursement Mortgage, any payment or distribution, whether in cash or other property, which would otherwise (but for the provisions contained in this Agreement) be payable or deliverable under the Bond Mortgage, shall be paid or delivered directly to Freddie Mac in satisfaction of any amounts payable (including, but not limited to, any payment pursuant to an assignment of rents) under the Reimbursement Mortgage, (including any interest thereon accruing after the occurrence of any such default) until all such amounts shall have been paid in full or the default shall have been cured or waived by Freddie Mac.

(xii) If any payment of the rents or other revenues arising from an assignment of rents contained in the Bond Mortgage or distribution of security or the proceeds of any of the foregoing is collected or received by Issuer or Trustee in contravention of any term, condition or provision of this Agreement, Issuer or Trustee, as applicable, immediately will deliver the same to Freddie Mac, in precisely the form received (except for the endorsement or the assignment by Issuer or Trustee, as applicable, where necessary), and, until so delivered, the same shall be held in trust by Issuer or Trustee, as applicable. The Issuer or Trustee shall not be required to deliver money paid by the Borrower pursuant to Sections 2.4, 2.5, 4.2, 4.3, 6.1 or 7.4 of the Financing Agreement (other than money required to be paid to Freddie Mac pursuant to the provisions of such sections), any other indemnity payments received by the Issuer or any rebate payments due under the Indenture.

(xiii) Trustee or Issuer shall not have any right to contest any of the procedures or actions taken by Freddie Mac to exercise its remedies under the Reimbursement Agreement or the Reimbursement Mortgage so long as Freddie Mac is in compliance with its agreements hereunder.

B. Freddie Mac shall have the right to delegate to the Servicer any of the Bond Mortgage Rights. Neither Freddie Mac nor the Servicer nor their respective officers, directors, employees or agents shall be liable to the Issuer or the Trustee for any action taken or omitted to be taken in good faith by such party in connection with the Bond Mortgage Loan by reason of such party's control of the Bond Mortgage Rights.

C. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Tax Regulatory Agreement, and if such default remains uncured for a period of 60 days after Borrower and Freddie Mac receive written notice from the Trustee or Issuer stating that a default has occurred pursuant to the Tax Regulatory Agreement, and specifying the nature of the default, the Issuer and the Trustee shall have the right to seek specific performance of the provisions of the Tax Regulatory Agreement, or to exercise their other rights or remedies thereunder; *provided, however*, that the Trustee shall not have the right to accelerate the Bond Mortgage Note or the Bonds, to cause the mandatory tender or redemption of the Bonds, to foreclose under the Bond Mortgage or take any other

remedial action under any of the other Bond Documents. The Trustee and the Issuer agree to refrain from the exercise of such permitted remedies if Freddie Mac cures any such default by the Borrower within sixty (60) days after notice to Freddie Mac, if such default is capable of being cured by the payment of money or, in the event of any other default, Freddie Mac commences to cure such default and thereafter diligently proceeds with such cure.

D. If the Borrower defaults in the performance of its obligations to the Issuer pursuant to Sections 2.4, 2.5, 4.2, 4.3, 6.1 or 7.4 of the Financing Agreement or the Borrower's obligation to comply with continuing disclosure requirements or to make payments to the Trustee owed pursuant to Sections 2.4, 2.5, 4.2, 4.3, 6.1 or 7.4 of the Financing Agreement for fees, expenses, rebate or indemnification, the Issuer or the Trustee shall have the right to exercise all its rights and remedies thereunder; *provided, however*, neither the Issuer nor the Trustee shall have the right to accelerate the Bond Mortgage Note or the Bonds, to cause mandatory tender or redemption of the Bonds, to foreclose under the Bond Mortgage or take any other remedial action under any of the other Bond Documents. The Trustee and the Issuer agree to refrain from the exercise of such permitted remedies if Freddie Mac cures any such default by the Borrower within sixty (60) days after receipt by Freddie Mac of written notice of such default, if such default is capable of being cured by the payment of money or, in the event of any other default, Freddie Mac commences to cure such default and thereafter diligently proceeds with such cure, provided that such longer cure period may be agreed to by the Issuer and the Trustee upon receipt of an opinion of Bond Counsel that such period will not adversely affect the exemption of interest on the Bonds from gross income for federal income tax purposes.

E. The Trustee and the Issuer each acknowledges that Freddie Mac or the Servicer may hold cash or other collateral and reserves to secure the Reimbursement Agreement, which collateral and reserves are not available as security for the Bonds. All cash collateral that is held by the Servicer that is primarily held as security for the payment of principal and interest on the Bonds or to reimburse Freddie Mac for payments made under the Credit Enhancement Agreement shall be invested in obligations the interest on which is excludable from gross income for federal income tax purposes. Freddie Mac agrees that it will instruct the Servicer (based upon the instruction of Bond Counsel) which funds and accounts held by the Servicer are subject to investment yield limitation as described in the Tax Certificate.

F. The Trustee and the Issuer each acknowledges that Freddie may make advances to the Borrower pursuant to the terms of the Reimbursement Agreement and the Reimbursement Mortgage, or any extension, modification, amendment, renewal, consolidation, increase, reinstatement or supplement thereto. The Trustee and the Issuer each acknowledges that the obligations evidenced by the Reimbursement Agreement and secured by the Reimbursement Mortgage, together with accrued interest thereon, plus fees, advances and expenses due and owing by the Borrower thereunder, as applicable, may increase in the future and the agreements of the Trustee and the Issuer set forth in this Agreement shall extend to such amounts that are currently, and that may become, due and owing under the Reimbursement Mortgage.

SECTION 4. *Exercise of Rights and Remedies by Trustee; Transfer of Bond Mortgage Loan.*

A. Upon (a) the occurrence and during the continuation of a Wrongful Dishonor, or (b) upon the termination or replacement of the Credit Enhancement Agreement in accordance with its terms, and no further obligations of the Borrower to Freddie Mac under the

Reimbursement Agreement remain outstanding, Freddie Mac shall not exercise the rights and remedies referred to in Section 3 hereof without the prior written consent of the Trustee, and the actions set forth in Section 3 shall be taken by the Trustee in its sole discretion.

(B) Unless a Wrongful Dishonor shall have occurred and be continuing, neither the Trustee nor the Issuer shall, without the prior written consent of Freddie Mac, dispose of the Bond Mortgage Loan or transfer the Financing Agreement, the Bond Mortgage Note, the Bond Mortgage or any other related document or any right or interest in the Financing Agreement, the Bond Mortgage Note, the Bond Mortgage or any other related document other than, in the case of the Trustee, to a successor Trustee pursuant to the terms of the Indenture. As a condition to the effectiveness of any such transfer to a successor trustee, the successor trustee must execute an assumption agreement with respect to this Agreement and the Indenture in form and substance acceptable to Freddie Mac.

SECTION 5. *Application of Money Received Upon Exercise of Remedies under the Bond Mortgage.* Any and all amounts received or collected by the Trustee or Freddie Mac in payment of the Bond Mortgage Loan as a result of the exercise of set-off rights, the liquidation of any security interest created by the Bond Documents or the Credit Enhancement Documents, the sale (by foreclosure, power of sale or otherwise) of the Project under the Bond Mortgage or the exercise of any remedies under any of the Bond Documents or the Credit Enhancement Documents against the Borrower or the Project (including rents received from the appointment of a receiver) shall be held by the Trustee or Freddie Mac, as the case may be, for the benefit of the Trustee and Freddie Mac and will be applied as follows:

A. Until either (i) a Wrongful Dishonor has occurred and is continuing, or (ii) the Credit Enhancement Agreement expires, terminates or is replaced, and the Borrower has no further obligations to Freddie Mac under the Reimbursement Agreement, such money held by the Trustee and Freddie Mac shall be applied in such manner and in such order as Freddie Mac, in its sole discretion, determines, subject, however, to the terms of the Reimbursement Mortgage and Reimbursement Agreement;

B. Upon and following the occurrence and continuance of an event described in clause (A)(i) or clause (A)(ii) of this Section 5, such money held by the Trustee and Freddie Mac shall be applied in such manner and in such order (to the extent permitted by the Bond Documents, the Credit Enhancement Documents and applicable law) as the Trustee, in its sole discretion, determines as required under the terms of the Indenture.

SECTION 6. *Assignment of Rights.* The Issuer and the Trustee each hereby agree that, following a total defeasance of the Bonds, an acceleration of the principal amount of the Bonds or the calling of all Bonds for redemption or the cancellation of the Bonds, when Trustee holds Eligible Funds under the Indenture or in accordance with written instructions provided by Freddie Mac (whether as a result of the payment by Freddie Mac under the Credit Enhancement Agreement or otherwise) in an amount which shall be sufficient to pay

A. the principal of all Bonds then Outstanding and any redemption premium owed (provide Freddie Mac is *not* liable for any premium) and

B. all accrued and unpaid interest on the Bonds then Outstanding to the date of redemption, acceleration or defeasance,

such that the obligation of Freddie Mac under the Credit Enhancement Agreement is deemed to be retired in full in accordance with its terms, then, in such event, the Issuer or the Trustee, as applicable, shall promptly do all of the following (but at the sole cost and expense of the Borrower):

(i) Use all funds drawn under the Credit Enhancement Agreement as may be necessary to promptly redeem, retire or defease all Outstanding Bonds at their face amount plus any accrued interest, and, in the event any excess funds were paid to the Trustee pursuant to a drawing the Credit Enhancement Agreement, return said excess funds to Freddie Mac promptly;

(ii) At the option of Freddie Mac, either reconvey, release and cancel, or assign to Freddie Mac, all of their right, title and interest (other than their rights to be paid for services rendered and to be rendered and for fees and expenses incurred thereunder and to be indemnified pursuant thereto) under the Bond Documents, other than the Tax Regulatory Agreement, and execute, acknowledge and deliver to Freddie Mac such instruments and documents as may be reasonably necessary in connection with such reconveyance, release, cancellation or assignment;

(iii) Deliver to Freddie Mac, in such form and to such place, as Freddie Mac shall designate, all property due Freddie Mac pursuant to the provisions of the Indenture; and

(iv) Return the Credit Enhancement Agreement to Freddie Mac.

SECTION 7. *Substitution of Obligor.*

7.1 The Issuer and the Trustee agree that, should Freddie Mac succeed to the interest of the Borrower in the Project pursuant to a foreclosure sale or otherwise without having implemented the provisions of Section 6, then Freddie Mac shall have the right, but not the obligation, to be the successor to the Borrower for all purposes of the Bond Documents and Freddie Mac acknowledges and agrees that upon its election to succeed the Borrower, it shall be so treated as successor to the Borrower, *provided, however*, that any and all liability of Freddie Mac as successor in interest to the Borrower's interest under the Bond Documents shall be limited to the period it owns the Project. The Issuer and the Trustee agree that any such transfer of ownership of the Project shall not be deemed to violate any terms or conditions of the Bond Documents.

7.2 Following any succession by Freddie Mac (the "**Successor Borrower**") to the right, title and interest of the Borrower in the Project pursuant to Section 7.1, the Successor Borrower or its designee shall have the right to sell, transfer and/or assign its interest in the Project to any person or entity, provided that the party purchasing the Project from the Successor Borrower or its designee delivers or causes to be delivered to the Issuer and the Trustee concurrently with such transfer: (i) if the Bonds remain Outstanding, a letter of credit or other credit enhancement facility that complies with all applicable requirements under the Indenture and the Financing Agreement; (ii) a written instrument assuming and agreeing to perform all obligations of the Borrower under the Bond Documents to which the Borrower is a party accruing from and after the date of such transfer; (iii) an opinion of counsel to the transferee that such transferee has duly assumed the obligations of the Borrower under the Bond Documents to

which the Borrower is a party, that such transferee is qualified to do so pursuant to the Bond Documents and applicable law, and that each of the Bond Documents to which the Borrower is a party is a binding obligation of the transferee; and (iv) an opinion of Bond Counsel that such transfer or substitution will not cause interest on the Bonds to be included in the gross income of any registered owner thereof for federal income tax purposes (except for interest on any Bond held by a “substantial user” of the Project or a “related person,” within the meaning of Section 147(a)(2) of the Internal Revenue Code of 1986, as amended). Upon completion of any transfer to the Successor Borrower or its designee, in accordance with this Section 7, the liability of the Successor Borrower or its designee, as applicable, or any purchaser from the Successor Borrower or its designee shall be limited to the period it owned the Project and the Successor Borrower or its designee, as applicable, shall thereafter be relieved of any further liability for obligations of the “Borrower” under the Bond Documents accruing from and after the date of such transfer. Any environmental liability that Freddie Mac may incur as a result of its ownership of the Project following a foreclosure or a deed in lieu of foreclosure shall be expressly limited by the provisions of any federal, state or local environmental statutes, rules, regulations or administrative procedures pertaining to “lender liability.”

7.3 The Issuer and the Trustee agree that any purchaser may succeed to the interest of the Borrower in the Project pursuant to a foreclosure sale or otherwise, provided that such purchaser delivers or causes the delivery of the documents described in Section 7.2.

SECTION 8. *Acknowledgement and Consent.* The Issuer and the Trustee acknowledge and consent to the granting by the Borrower to Freddie Mac of the Reimbursement Mortgage which shall be a second priority mortgage lien on the Project (as defined in the Indenture). The Issuer and the Trustee acknowledge and agree that Freddie Mac *is* a third-party beneficiary of the Financing Agreement with the right to enforce the provisions of such Financing Agreement subject to the terms of this Agreement. The Issuer and the Trustee agree and acknowledge that to the extent the Bond Mortgage grants or reserves to the Borrower any rights that are not granted or reserved to the Borrower under the Reimbursement Mortgage, the Borrower must comply with the terms of the Reimbursement Mortgage and a failure to do so shall be an Event of Default under the Reimbursement Agreement.

SECTION 9. *Bond Mortgage Loan Servicing.* The identity of the Servicer being of material importance to Freddie Mac, this Agreement is accepted by Freddie Mac on the basis, and with the understanding, the Servicer will be determined solely by Freddie Mac. The term “Servicer” as used in this Agreement shall mean a multifamily seller and servicer approved by Freddie Mac, which initially shall be Capital One, National Association, and any permitted successor or assign under the Freddie Mac Multifamily Seller/Servicer Guide (the “**Guide**”) or any other person designated by Freddie Mac to service the Bond Mortgage Loan.

Accordingly, so long as the Credit Enhancement Agreement is in effect or obligations of the Borrower to Freddie Mac under the Reimbursement Agreement remain outstanding, and no Wrongful Dishonor has occurred and is continuing, the Issuer and the Trustee agree that Freddie Mac shall, in its discretion, have the sole and exclusive right to (a) appoint the Servicer and arrange for the servicing of the Bond Mortgage Loan and the Bond Mortgage or Financing Agreement, provided such servicing shall be performed by a Freddie Mac approved seller-servicer in accordance with the terms and conditions of the Guide, and (b) remove the Servicer (for any reason), terminate its right to service the Bond Mortgage Loan, and appoint a new Servicer.

The Issuer and the Trustee further acknowledge and agree that the Guide is subject to amendment or termination without the consent of the Issuer, the Trustee or the Borrower (provided that no such amendment shall adversely affect the rights of Issuer or Trustee or in any way operate to modify the provisions of the Financing Agreement, the Commitment or affect the tax status of the Bonds) and that none of the Issuer, the Trustee or the Borrower shall have any rights under or be a third-party beneficiary of the Guide. The Trustee and the Issuer acknowledge and agree that the Servicer shall have no duties or obligations to the Trustee, the Issuer or the Developer under the Guide or otherwise, except as expressly set forth in the Bond Documents. The Trustee and the Issuer acknowledge and agree that any Servicer designated by Freddie Mac shall be paid a fee by the Borrower for its services. None of the Issuer, the Trustee or Freddie Mac shall have the obligation to pay such fees from their own funds. In the event the Borrower fails to make any payment relating to fees, expenses or indemnification obligations to the Issuer or Trustee as required under the Financing Agreement, the party which has not received such payment shall immediately notify the Servicer of such failure.

SECTION 10. *Representations, Warranties and Covenants.*

A. The Issuer represents, warrants and covenants to the other parties hereto that:

(i) The Issuer has not received a notice in writing from the Internal Revenue Service alleging that any event or act has occurred in the operation and management of the Project that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes or a notice in writing from the Trustee concerning any event of default under any Bond Document.

(ii) The Issuer has all necessary power and authority to execute, deliver and perform its obligations under and has duly authorized the execution, delivery and performance of this Agreement. This Agreement is a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, subject to (a) applicable limitations of bankruptcy or equitable principles affecting the enforcement of creditors' rights, the effect of general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith or fair dealing, and the possibility of the unavailability of specific performance or injunctive relief, (b) the exercise of judicial discretion and (c) any limitation of the legal remedies against public entities in the State.

(iii) The Issuer will not knowingly take or permit, or knowingly omit to take or cause to be taken any action within its control that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

B. The Trustee represents, warrants and covenants to the other parties hereto that:

(i) The Trustee has no knowledge of and has no reason to believe that any event or act has occurred that would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or of any event of default under any Bond Document.

(ii) The Trustee has all necessary power and authority to execute, deliver and perform its obligations under and has duly authorized the execution, delivery and performance of this Agreement. This Agreement is a legal, valid and binding obligation

of the Trustee enforceable against the Trustee in accordance with its terms except as enforceability may be limited by bankruptcy, moratorium, insolvency and similar laws affecting creditors' rights generally and general principles of equity.

(iii) The Trustee will not knowingly take or permit, or knowingly omit to take or cause to be taken, any action within its control that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

C. Freddie Mac represents, warrants and covenants to the other parties hereto that:

(i) Freddie Mac has all necessary power and authority to execute, deliver and perform its obligations under and has duly authorized the execution, delivery and performance of this Agreement. This Agreement is a legal, valid and binding obligation of Freddie Mac enforceable against Freddie Mac in accordance with its terms except as enforceability may be limited by bankruptcy, moratorium, insolvency and similar laws affecting creditors' rights generally and general principles of equity.

(ii) Freddie Mac will not knowingly take or permit, or knowingly omit to take or cause to be taken any action within its control that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

SECTION 11. *Subrogation.*

The Issuer and the Trustee agree that Freddie Mac shall be subrogated to their rights and remedies under the Bond Documents (except with respect to any Mortgagee Retained Rights) upon and to the extent of Freddie Mac's payment (whether pursuant to the Credit Enhancement Agreement or otherwise) of the principal of or interest on the Bonds or the payment or performance of any obligation under the Bond Documents. The Issuer and the Trustee agree to cooperate with Freddie Mac at the sole expense and liability of Freddie Mac in connection with Freddie Mac's enforcement of any of such rights and remedies and, except as permitted under the terms of this Agreement, agree not to take any actions that would prejudice the exercise of such rights of subrogation unless in the opinion of Bond Counsel delivered to Issuer, Trustee, and Freddie Mac such action is necessary to preserve the exemption of interest on the Bonds from gross income for federal income tax purposes.

SECTION 12. *Amendment and Waiver.* This Agreement and each provision hereof may be amended to the extent and upon the conditions that the Indenture may be amended by an instrument in writing signed by the parties hereto.

SECTION 13. *Governing Law.* This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the law of the Commonwealth of Virginia.

SECTION 14. *Notices.* All notices, demands, requests, consents, approvals, certificates or other communications ("**Communications**") required under this Agreement shall be in writing, mailed (registered or certified mail, return receipt requested and postage pre-paid), hand-delivered, with signed receipt, or sent by nationally recognized overnight courier (receipt of

which to be evidenced by a signed receipt for overnight delivery service) and shall be sufficiently given and shall be deemed to have been properly given if given in the manner in which notices are to be given and to the addresses as provided in the Indenture. All communications which the Trustee or Issuer is required to send to any other person pursuant to any Bond Document or any Borrower Documents shall also be sent to the Servicer. All communications required to be sent to Freddie Mac or the Servicer pursuant to the terms of any Bond Document and any other Borrower Document shall be sent to the following addresses:

The Issuer: Fairfax County Redevelopment and
Housing Authority
3700 Pender Drive
Fairfax, Virginia 22030
Attention: Thomas Fleetwood
Telephone: (703) 246-5105
Facsimile: (703) 653-7130

with a copy to: Ballard Spahr LLP
1909 K Street, N.W.
12th Floor
Washington, D.C. 20006
Attention: Jeffrey S. Ballard, Esquire
Telephone: (202) 661-7622
Facsimile: (202) 661-2299

The Trustee: The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attention: Corporate Trust
Telephone: (412) 234-3151
Facsimile: (412) 234-8377

Freddie Mac: Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4F
McLean, Virginia 22102
Attention: Director of Multifamily Loan Servicing
Telephone: (703) 903-2000
Facsimile: (703) 714-3003

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Associate General Counsel – Multifamily,
Legal Division
Telephone: (703) 903-2000
Facsimile: (703) 903-2885

with a copy to: Federal Home Loan Mortgage Corporation

8100 Jones Branch Drive
Mail Stop B4Q
McLean, Virginia 22102
Attention: Director of Multifamily Loan Accounting
Telephone: (703) 714-4177
Facsimile: (571) 382-4798

The Servicer: Capital One, National Association
2 Bethesda Metro Center, 7th Floor
Bethesda, MD 20814
Attention: Loan Servicer

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to Freddie Mac.

The Trustee agrees to accept and act upon facsimile transmissions of written instructions and/or directions pursuant to this Agreement.

SECTION 15. *Benefit of Agreement.* This Agreement shall be binding upon and inure to the benefit of the Issuer, the Trustee, the Servicer and Freddie Mac and their respective successors and assigns. No other party shall be entitled to any benefits hereunder, whether as a third-party beneficiary or otherwise. This Agreement shall be deemed terminated with respect to Freddie Mac without the necessity for further or confirmatory instruments upon the date the Indenture is released and terminated and all of the Borrower's obligations to Freddie Mac under the Reimbursement Agreement shall have been paid in full.

SECTION 16. *Counterparts.* This Agreement may be executed in any number of counterparts and all of such counterparts shall together constitute one and the same instrument.

SECTION 17. *Acknowledgment and Consent Regarding Reimbursement Mortgage.* The Issuer and the Trustee agree and acknowledge that to the extent the Bond Mortgage grants or reserves to the Borrower any rights that are not granted or reserved to the Borrower under the Reimbursement Mortgage, Borrower must comply with the terms of the Reimbursement Mortgage and a failure to do so shall be an Event of Default under the Reimbursement Agreement.

SECTION 18. *Trustee.* The Trustee accepts the duties imposed upon it by this Agreement and agrees to perform those duties but only upon and subject to the following express terms and conditions:

A. the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee;

B. as to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely in good faith upon a certificate purportedly signed by an authorized signatory of Freddie Mac as sufficient evidence of the facts contained in such certificate;

C. the permissive right of the Trustee to do things enumerated in this Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct;

D. none of the provisions contained in this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement except for any liability of the Trustee arising from its own negligence or willful misconduct;

E. the Trustee is entering into this Agreement solely in its capacity as Trustee under the Indenture and not in its individual or corporate capacity; and

F. all of the provisions of the Indenture related to the duties, obligations, standard of care, protections and immunities from liability afforded the Trustee under the Indenture shall apply to the Trustee under this Agreement.

SECTION 19. *Invalidity.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity of any other provision and all other provisions shall remain in full force and effect.

SECTION 20. *Time is of the Essence.* Time is of the essence of this Agreement.

SECTION 21. *Controlling Instrument.* This Intercreditor Agreement controls over any contrary provisions of the Bond Documents.

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EXHIBIT A

LEGAL DESCRIPTION

[Attach legal description]

PROJECT SUMMARY
Residences at Government Center II

GENERAL:

The development is anticipated to include the following:

- North Building:
 - Construction of a 144-unit apartment building for households with incomes from 30 percent of Area Median Income (AMI) to 70 percent of AMI.
- South Building:
 - Construction of a 135-unit apartment building for households with incomes from 30 percent of AMI to 70 percent of AMI.
- Childcare Facility and Community Center:
 - To be provided in and within the scope of the north building.
 - 15,000 Square Feet.
 - To be operated by Fairfax County based 501(c)(3) service provider, Cornerstones.
- Parking Spaces:
 - An underground garage to be shared by both north and south buildings and provide 341 parking spaces.
- Ground Leases:
 - LAC intends to enter into four separate long-term unsubordinated Ground Leases with the Fairfax County Redevelopment and Housing Authority (FCRHA) for terms of 99 years, for each of the nine percent and four percent LIHTC components in the Development. The subsidiary entities that will be the ground lease tenants as well as the borrowers for the respective components are as follows:
 - Northeast Nine: RGC2 Northeast 9 Owner LLC
 - Northwest Four: RGC2 Northwest 4 Owner LLC
 - Southeast Nine: RGC2 Southeast 9 Owner LLC
 - Southwest Four: RGC2 Southwest 4 Owner LLC

BENEFITS OF THE DEVELOPMENT:

- 279 units of affordable multifamily housing in the high-cost Braddock District of Fairfax County, VA.
- Serving approximately 10 percent of residents at or below 30 percent of AMI, approximately 5 percent of residents at or below 40 percent of AMI, approximately 15 percent of residents at or below 50 percent of AMI,

approximately 64 percent of residents at or below 60 percent of AMI, and approximately 6 percent of residents at or below 70 percent of AMI.

- Property amenities include a business center, fitness facility, on-site management, community rooms, and resident lounges.
- On-site pedestrian promenade will be added to create access to and from the County Government Center buildings as well as to create more private exterior resident amenities. Existing mature trees lining the perimeter of the site will be preserved.
- A daycare facility to be provided in the north building will be operated by Fairfax County based 501(c)(3) service provider, Cornerstones.
- Affordability for a period of 99 years per Ground Lease.
- Includes rooftop solar panels which will help minimize the environmental impact of the development and ultimately lower residents' utility bills.
- EarthCraft Gold or equivalent Certification
- Universal Design in all units and all of the common areas for both buildings.
- 30 Americans with Disabilities Act (ADA) compliant units in the north building and 23 ADA units in the south building.
- Seven Project-Based Vouchers (PBVs) for the Northeast Nine portion of the Development, and seven PBVs for the Southeast Nine portion of the Development.

APPRAISED VALUE:

According to the appraisal prepared by Robert Paul Jones, Inc. dated November 10, 2023, the 'Forced Liquidation Decontrol Value', based on restricted rents being maintained for 3 years after foreclosure, is \$51,867,000 for the north building, and \$49,833,000 for the south building. The FCRHA loans to be provided for each building of the development are fully collateralized by the Decontrol Value of the property. The Fairfax County Department of Tax Administration (DTA) has reviewed the appraisal for approved values as well as the methodology used to determine those values, and has concluded that the methodology used is appropriate and the values are reasonable.

PROPOSED UNIT MIX AND AFFORDABILITY RESTRICTIONS:

The development contains two rent rate structures: Low-Income Housing Tax Credits (LIHTC) rents set by Virginia Housing and Project-Based Voucher (PBV) rents established by the FCRHA, using a U.S. Department of Housing and Urban Development regulatory structure. The regulatory structure dictates the gross rent that a landlord can receive when using a project-based voucher. When the voucher is

applied to each unit, the tenant's portion of the rent will not exceed the maximum LIHTC (non-PBV) rents.

Approximate unit mix (subject to minor adjustments) for each phase of the development is as follows:

North Building (Proposed 144 Units in Total):

Northwest Four

	40% AMI	60% AMI	70% AMI	# of Units
One Bedroom	3	24	3	30
Two Bedroom	3	28	3	34
Three Bedroom	2	6	2	10
Total	8	58	8	74

Northeast Nine

	PBV Units 30% AMI	30% AMI	50% AMI	60% AMI	# of Units
One Bedroom	2	2	4	3	11
Two Bedroom	3	3	15	23	44
Three Bedroom	2	2	3	8	15
Total	7	7	22	34	70

South Building (Proposed 135 Units in Total):

Southwest Four

	40% AMI	60% AMI	70% AMI	# of Units
One Bedroom	3	39	3	45
Two Bedroom	3	13	3	19
Three Bedroom	2	1	2	5
Total	8	53	8	69

Southeast Nine

	PBV Units 30% AMI	30% AMI	50% AMI	60% AMI	# of Units
One Bedroom	2	2	3	3	10
Two Bedroom	3	3	13	21	40
Three Bedroom	2	2	3	9	16
Total	7	7	19	33	66

FINANCING PLAN:

For each building of the Residences at Government Center II development, Lincoln Avenue Capital (LAC) is proposing a financing plan using both nine percent and four percent Low Income Housing Tax Credits (LIHTC). Each LIHTC deal, four in total, will be developed by a separate entity established by LAC. The financing structure for each LIHTC deal mainly consists of LIHTC, first mortgage financing from Freddie Mac, subordinate financing from the FCRHA, Solar Tax Credit Equity, and Deferred Developer Fee. For the north building, the aggregate amount of gap financing provided by the FCRHA of up to \$14,000,000 was approved in February 2023. For the south building, the aggregate amount of gap financing provided by the FCRHA for up to \$11,000,000 was approved in February 2024. The costs of the development are expected to continue to be refined and the breakdown between the nine percent and four percent deals within each building may be revised before closing subject to market conditions to reach an optimal financing structure.

North Building Sources & Uses (Previously Approved)

	Northeast Nine	Northwest Four	
Sources	9% Sources	4% Sources	Combined Sources
First Mortgage	\$12,040,000	\$13,340,000	\$25,380,000
GP Capital Contribution	\$100	\$100	\$200
LIHTC Equity	\$21,852,815	\$11,714,353	\$33,567,168
Fairfax County Blueprint Funds	\$ 6,000,000	\$8,000,000	\$14,000,000
Solar Credit Equity	\$72,269	\$62,858	\$135,127
Short-Term Bond Reinvestment Proceeds	\$0	\$2,002,725	\$2,002,725
Negative Arbitrage Deposit Funds	\$0	\$355,083	\$355,083
Deferred Developer Fee	\$ 954,524	\$2,608,816	\$3,563,340
Total Sources	\$ 40,919,708	\$38,083,935	\$79,003,643
Uses	9% Uses	4% Uses	Combined Uses
Acquisition	\$0	\$0	\$0
Construction Hard Costs	\$31,070,650	\$24,897,172	\$55,967,822
Project Soft Costs	\$1,730,745	\$1,426,336	\$3,157,081
Tax Credit Fees	\$ 242,500	\$165,017	\$407,517
Bond Costs	\$0	\$1,161,933	\$1,161,933
Financing Costs	\$937,978	\$705,125	\$1,643,103
Construction Interest	\$2,694,492	\$5,531,460	\$8,225,952
Escrows and Reserves	\$943,343	\$1,026,891	\$1,970,234
Developer Fee	\$3,300,000	\$3,170,000	\$6,470,000
Total Uses	\$40,919,708	\$38,083,935	\$79,003,643

South Building Sources & Uses (Previously Approved)

	Southeast Nine	Southwest Four	
Sources	9% Sources	4% Sources	Combined Sources
First Mortgage	\$11,450,000	\$11,400,000	\$22,850,000
GP Capital Contribution	\$100	\$100	\$200
LIHTC Equity	\$18,598,140	\$9,303,883	\$27,902,023
Fairfax County Blueprint Funds	\$4,500,000	\$6,500,000	\$11,000,000
Solar Credit Equity	\$69,258	\$48,126	\$117,384
Short-term Bond Reinvestment Proceeds	\$0	\$1,500,750	\$1,500,750
Negative Arbitrage Deposit Funds	\$0	\$330,930	\$330,930
Deferred Developer Fee	\$1,816,093	\$1,151,037	\$2,967,131
Total Sources	\$36,433,592	\$30,234,826	\$66,668,418
Uses	9% Uses	4% Uses	Combined Uses
Acquisition	\$0	\$0	\$0
Construction Hard Costs	\$26,759,828	\$19,320,673	\$46,080,501
Project Soft Costs	\$1,725,782	\$1,127,976	\$2,853,759
Tax Credit Fees	\$219,000	\$141,642	\$360,642
Bond Costs	\$0	\$1,084,430	\$1,084,430
Financing Costs	\$694,065	\$611,469	\$1,305,534
Construction Interest	\$3,140,104	\$4,539,945	\$7,680,050
Escrows and Reserves	\$894,812	\$906,690	\$1,801,502
Developer Fee	\$3,000,000	\$2,502,000	\$5,502,000
Total Uses	\$36,433,592	\$30,234,826	\$66,668,418



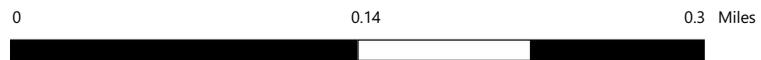
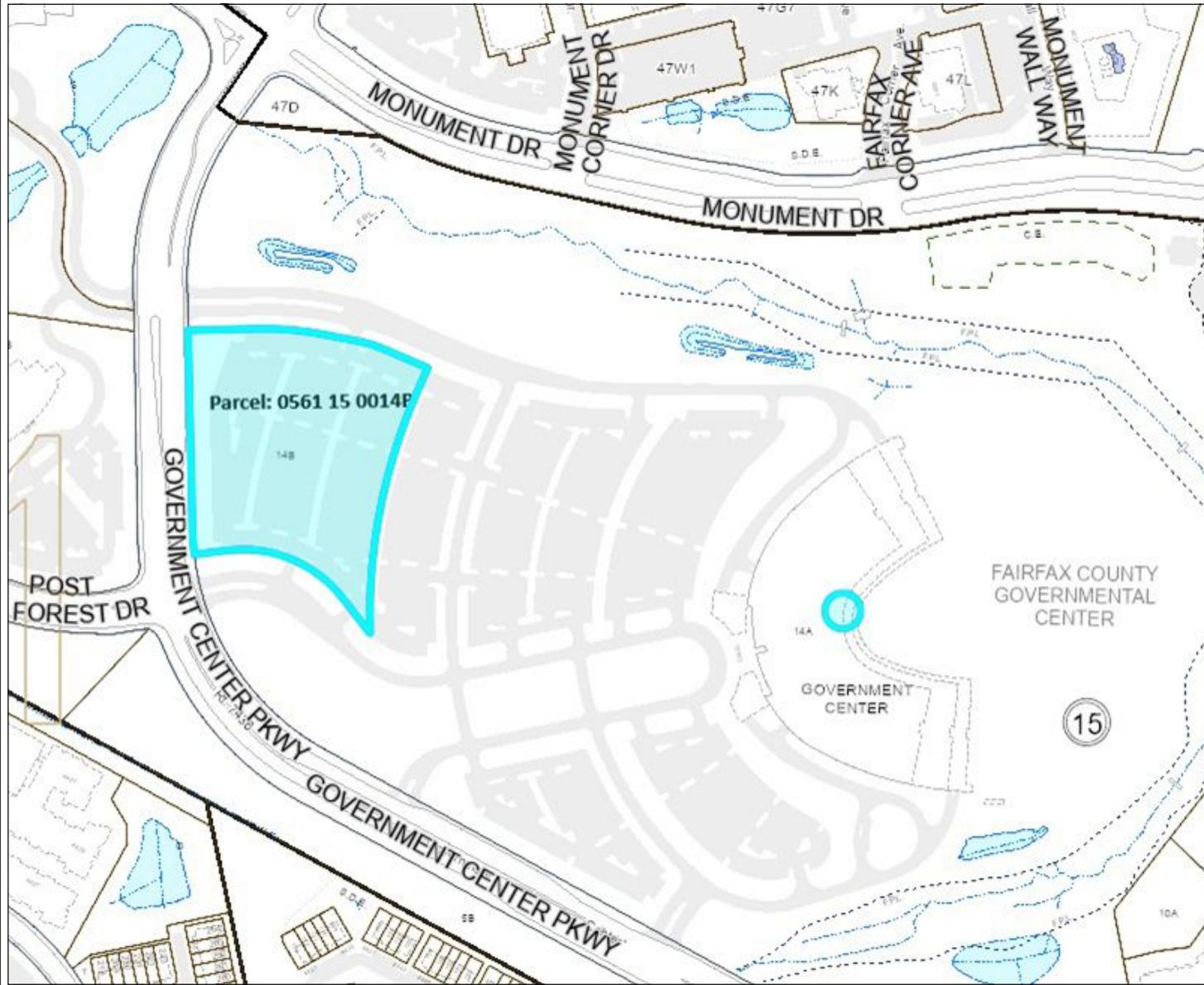
Attachment 5 - Residences at Government Center II Location Map



Legend

- Parcels

Notes:
 Development Site: Fairfax County Tax Map # 56-1 ((15)), parcel 14B.
 Map produced: 1/4/2024



This map is intended for reference purposes only. Fairfax County does not provide any guarantee of the accuracy or completeness regarding the map information.

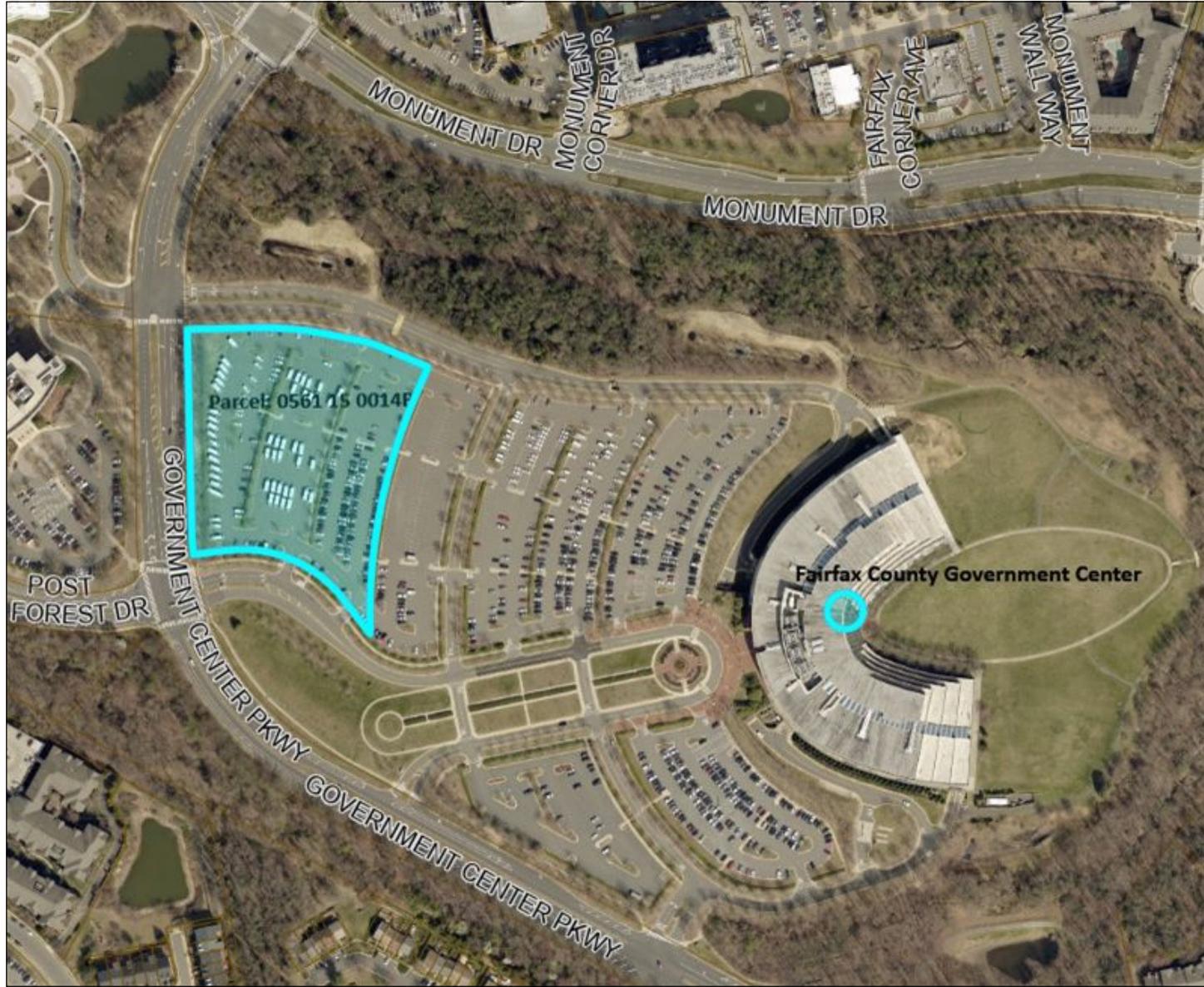


Attachment 5 - Residences at Government Center II Location Map



Legend

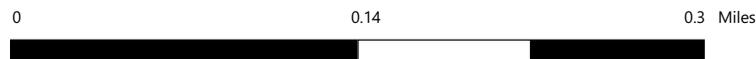
Parcels



Notes:

Development Site: Fairfax County Tax Map # 56-1 ((15)), parcel 14B.

Map produced: 1/4/2024



This map is intended for reference purposes only. Fairfax County does not provide any guarantee of the accuracy or completeness regarding the map information.

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ADMINISTRATIVE – 1

RESOLUTION NUMBER 26-24: Approval of Revisions to the Housing Choice Voucher Program Administrative Plan, Chapter 7

ISSUE:

The purpose of this Item is to request Fairfax County Redevelopment and Housing Authority (FCRHA) approval to revise select policies in Chapter 7 – Verification, of its Housing Choice Voucher (HCV) Program Administrative Plan (HCV Administrative Plan). Approval of most of the policy revisions is within the FCRHA's discretion. Approval of other policy revisions allow for adoption of U.S. Department of Housing and Urban Development (HUD) regulatory flexibility or are those required under the Housing Opportunity Through Modernization Act of 2016 (HOTMA).

RECOMMENDATION:

That the FCRHA approve the proposed revisions to the HCV Administrative Plan.

TIMING:

Immediate.

RELATION TO FCRHA STRATEGIC PLAN:

The proposed action directly supports the FCRHA's mission, and the annual goals set forth in the FCRHA's Strategic Plan.

BACKGROUND:

The rules and regulations that direct how the FCRHA administers the HCV program are outlined in the HCV Administrative Plan required by HUD. The HCV Administrative Plan is updated on a regular basis to reflect changes in statutes and regulations and to ensure consistency in operations.

In February 2023, HUD issued the final rule on HOTMA. The final rule amended regulations for HUD's Section 8 programs and made Sections 102, 103 and 104 of HOTMA effective. These sections impact income calculations, reviews, and program eligibility for the HCV program. HOTMA policies must be reflected in the HCV Administrative Plan.

On September 29, 2023, HUD provided implementation guidance (PIH Notice 2023-27) which outlined that Public Housing Authorities (PHAs) must be fully compliant with HOTMA by either January 1, 2025, or when HUD's new Housing Information Portal

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(HIP) system is operational, whichever is earlier. After this guidance, on Feb 23, 2024, HUD sent a letter to all PHAs indicating they could implement some aspects of HOTMA prior to the HIP system being operational as these policy changes are not dependent on the new system. Following this information, on June 17, 2024, HUD announced that the HIP system implementation is delayed and no revised timeline or schedule has been released.

With the delay in the HIP system, staff recommend that the FCRHA adopt two HOTMA policy changes in Chapter 7 that are not contingent on the HIP system. These policies are noted below by an asterisk and listed in Attachments 2 and 3. These policies are noted by HUD as options for PHAs to implement prior to the HIP system being fully operational.

During the period between when the updated HCV Administrative Plan Chapter 7 is approved by the FCRHA and when HOTMA is fully implemented, there will be two HCV policies in place: 1) one inclusive of HOTMA and contingent on the use of the HIP system; and 2) one which reflects current HUD policies but does not include HOTMA changes that are contingent on the use of the HIP system. It is recommended that the FCRHA adopt but not follow all HOTMA policies contingent on the operationalization of the HIP system during this transition period. Once HOTMA and the HIP system are implemented, the policies inclusive of HOTMA will be fully effective and available online.

As the exact date when the FCRHA must be compliant with HOTMA is unknown due to the uncertainty of when the HIP system will be operational, staff are continuing to bring forward all HOTMA related changes to the HCV Administrative Plan to the FCRHA for approval as required. Staff will keep the FCRHA informed of any new guidance issued by HUD on HOTMA.

UPDATES TO CHAPTER 7:

Staff have initiated a review of Chapter 7 of the HCV Administrative Plan and recommend the following changes for FCRHA approval:

New Proposed Policies Required by HOTMA

HOTMA mandates the FCRHA to adopt new policies, listed in Attachment 2 and summarized as follows:

- Level 5 and 6 Verification: Up-front Income Verification (UIV) (*Chapter 7, Section 7-I.E., New Hires Report*) – The proposed policy states that the FCRHA will only review the New Hires Report at regularly scheduled reexaminations.
- Level 4 Verification* (*Chapter 7, Section 7-I.F.; Written Third-Party Verification from the Source*) – The proposed policy describes when the FCRHA will use third-party verification from the source.
- Level 3 Verification: Written, Third-Party Form (*Chapter 7, Section 7-I.G.*) – The proposed policy describes how the FCRHA will attempt to send written third-party

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verification forms to the source whenever higher forms of verification are unavailable when determining income.

- Level 2: Oral Third-Party Verification (*Chapter 7, Section 7-I.H., When Third-Party Verification is Not Required*) – The proposed policy describes the process that will be undertaken if the family cannot provide original documents when determining income and a third-party verification is not required.
- Nonrecurring Income (*Chapter 7, Section 7-III.E.*) – The proposed policy notes that the FCRHA will accept self-certification on nonrecurring income sources.

New Proposed Discretionary Policies Allowed by HOTMA

Along with mandatory policies, HOTMA outlines discretionary policies that a public housing authority may adopt. While there is choice in adopting these policies, the content of the policy must adhere to HUD guidance and the final rule on HOTMA. Proposed changes are listed in Attachment 3 and summarized as follows:

- Family Consent to Release Information* (*Chapter 7, Section 7-I.A., Form HUD-9886-A; Chapter 7, Section 7-I.A., Penalties for Failing to Consent*) - The proposed policies update the Consent to the Release of Information Form and the requirement that the failure to sign the Consent to the Release of Information Form will result in denial of admissions or termination of assistance.
- Use of Other Programs' Income Determinations (*Chapter 7, Section 7-I.B.*) – The proposed policy indicates the FCRHA will not accept or use Safe Harbor income determinations.
- Streamlined Income Determinations (*Chapter 7, Section 7-I.C.*) – The proposed policy indicates that streamlined income determinations will not be used for Moving to Work (MTW) households but will be used where applicable for non-MTW households.
- Level 5 and 6 Verification: Up-Front Income Verification (*Chapter 7, Section 7-I.E., No Income Reported by HHS or SSA Report; Chapter 7, Section 7-I.E., Deceased Tenants Reports*) – The proposed policies describe when the FCRHA will generate a No Income Reported report and policies related to deceased tenants and reporting requirements.
- Level 4 Verification* (*Chapter 7, Section 7-I.F., EIV + Self Certification;*) – The proposed policy describes the use of Enterprise Income Verification (EIV) plus self-certification as verification of employment income.
- Social Security Numbers (*Chapter 7, Section 7-II.B.*) – The proposed policy describes how the FCRHA will verify social security numbers.
- Family Relationships (*Chapter 7, Section 7-II.D., Separation or Divorce*) – The proposed policy describes the verification of a separation or divorce in a household.
- Assets and Income from Assets (*Chapter 7, Section 7-III.F.; Chapter 7, Section 7-III.F, Self-Certification of Real Property Ownership*) – The proposed policies describe the verification process for the value of family assets and income from assets and the process of self-certification of real property ownership.

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Proposed HOTMA-Related Policy Changes

These changes are required by HOTMA and modify existing FCRHA policies included in Chapter 7. Proposed changes are listed in Attachment 4 and summarized as follows:

- Level 5 and 6 Verification: Up-Front Income Verification (UIV) (*Chapter 7, Section 7-I.E., EIV Income and Income Validation Tool (IVT) Reports*) – The proposed policy updates language regarding the use of EIV and IVT reports.
- Level 2: Oral Third-Party Verification (*Chapter 7, Section 7-I.H.*) – The proposed change updates existing policy to include language regarding third-party verification of income.
- Level 1: Non-Third Party Verification Technique: Self-Certification (*Chapter 7, Section 7-I.I.*) – The proposed policy is updated to include an attestation statement and a warning regarding the termination of assistance.
- Social Security Numbers (*Chapter 7, Section 7-II.B.*) – The proposed policies reflect practices established through HOTMA on verifying social security numbers.
- Earned Income (*Chapter 7, Section 7-III.A., Wages*) – The proposed changes update the policy on when the FCRHA requires third-party verification of wages.
- Business and Self Employment Income (*Chapter 7, Section 7-III.B.*) – The proposed changes update the policy on verifying income when the person is a business owner and/or self-employed.
- Alimony or Child Support (*Chapter 7, Section 7-III.D.*) – The proposed policy changes reflect HOTMA on the methods used to verify alimony and child support payments.
- Assets Disposed of for Less Than Fair Market Value (*Chapter 7, Section 7-III.G.*) – The proposed policy identifies the acceptance of self-certification as verification of assets disposed of for less than fair market value.
- Retirement Accounts (*Chapter 7, Section 7-III.J.*) – The proposed changes update the policy to state the type of acceptable documents when verifying retirement accounts.
- Income from Excluded Sources (*Chapter 7, Section 7-III.K.*) – The updated policy identifies the acceptance of a self-certification and reflects practices established through HOTMA.
- Zero Income Reviews (*Chapter 7, Section 7-III.L.*) – The proposed policy reflects practices established through HOTMA for households that claim zero income status.
- Student Financial Assistance (*Chapter 7, Section 7-III.M.*) – The updated policy reflects practices established through HOTMA and clarifies those items for which written verification will be requested when verifying student financial assistance.
- Health and Medical Care Expense Deduction (*Chapter 7, Section 7-IV.B., Amount of Expense*) – The proposed policy reflects changes established by HOTMA and clarifies how certain documentation will be handled when verifying health and medical expenses.
- Disability Assistance Expenses (*Chapter 7, Section 7-IV.C., Attendant Care; Chapter 7, Section 7-IV.C., Family Member(s) Permitted to Work*) – Changes in

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the proposed policies reflect updates established through HOTMA and clarifies how documentation for attendant care expenses will be handled, includes those that enable a family member, or the person living with a disability, to work.

Proposed Policy Changes

Attachment 5 lists a proposed change intended to clarify and update a current policy summarized as follows:

- Child Care Expenses (*Chapter 7, Section 7-IV.D., Pursuing an Eligible Activity*) – The proposed policy aligns with current practices on verifying child care expenses.

Proposed Other (Non-Substantive) Changes

These changes are intended to clarify and update language, are listed in Attachment 6, and summarized as follows:

- Level 5 and 6 Verification: Up-Front Income Verification (UIV) (*Chapter 7, Section 7-I.E., EIV Identify Verification Report; Chapter 7, Section 7-I.E., Upfront Income Verification Using Non-HUD Systems*) – The proposed policies are updated to remove a reference to “PIC/SSA” and to clarify how households are informed of the FCRHA’s use of the EIV system.
- Verification of Legal Identity (*Chapter 7, Section 7-II.A.*) – The proposed policy is updated to reflect the current methods of verification accepted and specify who is required to sign the third-party certification.
- Social Security Numbers (*Chapter 7, Section 7-II.B.*) – A policy is removed due to new guidance issued through HOTMA; other proposed policy changes include adding clarifying language regarding extensions and removing an outdated reference.
- Family Relationships (*Chapter 7, Section 7-II.D., Absence of Adult Member*) – The proposed policy removes language which is now stated in a new proposed policy.
- Verification of Preference Status (*Chapter 7, Section 7-II.H.*) – The proposed policy is updated to refer to another chapter of the HCV Administrative Plan for information.
- Earned Income (*Chapter 7, Section 7-III.A., Tips*) – The proposed change specifies that UIV verification sources will be used to verify income from tips.
- Periodic Payments and Payments in Lieu of Earnings (*Chapter 7, Section 7-III.C., Social Security/SSI Benefits*) – The proposed changes remove a policy due to new guidance established through HOTMA.

Staff are currently reviewing and updating the entire HCV Administrative Plan and will be bringing additional chapters to the FCRHA for approval.

STAFF IMPACT:

Staff spent significant time revising policies in the HCV Administrative Plan.

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FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

- Attachment 1: Resolution Number 26-24
- Attachment 2: Summary of New Proposed HOTMA Mandatory Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7
- Attachment 3: Summary of New Proposed HOTMA Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7
- Attachment 4: Summary of Proposed HOTMA Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7
- Attachment 5: Summary of Proposed Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7
- Attachment 6: Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Linda Hoffman, Director, Policy and Communications (P&C), HCD

Brandy Thompson, Management Analyst, P&C, HCD

ASSIGNED COUNSEL:

Richard Dzubin, Office of the County Attorney

RESOLUTION NUMBER 26-24

Approval of Revisions to the Housing Choice Voucher Program Administrative Plan,
Chapter 7

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the revisions to its Housing Choice Voucher Program Administrative Plan, Chapter 7, as presented to the FCRHA on October 17, 2024.

New Proposed HOTMA Mandatory Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
Mandatory Policy	New Section/Title	New Proposed Policy
Mandatory	7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>New Hires Report [Notice PIH 2023-27]</i>	<u>FCRHA Policy</u> The FCRHA will only review the New Hires Report at a regularly scheduled reexamination.
Mandatory	7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27] Written Third-Party Verification from the Source	<u>FCRHA Policy</u> In general, the FCRHA will use third-party verification from the source in the following circumstances: <ul style="list-style-type: none"> ○ At reexamination when EIV + self-certification is not used; ○ For all new admissions; and ○ For all interim reexaminations. <p>The FCRHA will not use this method if the FCRHA uses EIV + self-certification as outlined above.</p> <p>Third-party documents provided by the family or the source must be dated within 120 days of the date received by the FCRHA. However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.</p> <p>The FCRHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.</p> <p>If the FCRHA determines that third-party documents provided by the family are not acceptable, the FCRHA will explain the reason to the family and request additional documentation from the family or will use a lower form of verification such as a written third-party verification form.</p> <p>When verification of assets held by a banking or financial institution is required, the FCRHA will obtain one statement that reflects the current balance of the account.</p> <p>When pay stubs are used, the FCRHA will require the family to provide the two most current, consecutive pay stubs. At the FCRHA's discretion, if additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), the FCRHA may request additional paystubs or a payroll record.</p>

New Proposed HOTMA-Related Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
Mandatory Policy	Reference	New Proposed Policy
Mandatory	7-I.G. LEVEL 3 VERIFICATION: WRITTEN, THIRD-PARTY FORM [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will attempt to send written third-party verification forms to the verification source whenever higher forms of verification are unavailable.</p> <p>On a case-by-case basis, the FCRHA may choose to obtain oral third-party verification without first attempting, and in lieu of, a written-third party verification form.</p>
Mandatory	7.I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27] When Third-Party Verification is Not Required [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>If the family cannot provide original documents, the FCRHA will pay the service charge required to obtain third-party verification (including costs such as postage and envelopes) unless it is not cost effective, in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.</p>
Mandatory	7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the FCRHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.</p>

New Proposed HOTMA Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	New Section/Title	New Proposed Policy
The PHA has the discretion to establish policies around when family members must sign the consent forms when they turn 18 between reexaminations.	7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516; 982.551; 24 CFR 5.230; and Notice PIH 2023-27] <i>Form HUD-9886-A [24 CFR 5.230(b)(1), (b)(2), (c)(4), and (c)(5)]</i>	<u>FCRHA Policy</u> Family members who turned 18 years of age between regularly scheduled or interim reexaminations will be required to sign the Consent to the Release of Information Form HUD-9886-A at the family's regularly scheduled or interim reexamination, whichever is earlier.
The PHA may decide whether revocation of a family's consent will result in termination of assistance or denial of admission.	7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516; 982.551; 24 CFR 5.230; and Notice PIH 2023-27] <i>Penalties for Failing to Consent [24 CFR 5.232]</i>	<u>FCRHA Policy</u> The FCRHA has established a policy that the family's revocation of consent to allow the FCRHA to access records from financial institutions will result in denial of admission or termination of assistance. A family must provide written notice to the FCRHA to revoke consent. Within 10 business days of the FCRHA receiving the family's written notice, the FCRHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial of admission or termination of assistance, as applicable. At the same time, the FCRHA will notify their local HUD office.
The PHA has the option of using a "safe harbor" income verification from another federal means-tested program to verify gross annual income.	7-I.B. USE OF OTHER PROGRAMS' INCOME DETERMINATIONS [24 CFR 5.609(c)(3) and Notice PIH 2023-27]	<u>FCRHA Policy</u> The FCRHA will not accept or use Safe Harbor income determinations.
The PHA may elect to apply a streamlined income determination for families receiving fixed income using the methodology provided by HUD.	7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c); Notice PIH 2023-27]	<u>FCRHA Policy</u> For MTW Households: Streamlined income determinations will not be used for any MTW household, regardless of whether they are considered work-able or non work-able under MTW definitions. The FCRHA will not apply a verified inflationary adjustment factor to any source of fixed income for MTW households. For Non-MTW Households: The FCRHA will use streamlined income determinations where applicable. If 90 percent or more of a family's unadjusted income is from fixed income sources:

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
		<ul style="list-style-type: none"> ○ The FCRHA will streamline the reexamination process by applying the verified inflationary adjustment factor to fixed-income sources. ○ The family will be required to sign a self-certification stating that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous reexamination. ○ The FCRHA will document in the file how the determination that a source of income was fixed was made. ○ Third-party verification of non-fixed income will be obtained at reexamination regardless of the percentage of family income received from fixed sources. ○ If the family's sources of fixed income have changed from the previous reexamination, the FCRHA will obtain third-party verification of any new sources of fixed income. <p>When less than 90 percent of a family's unadjusted income consists of fixed income:</p> <ul style="list-style-type: none"> ○ The FCRHA will apply a verified inflationary adjustment factor to each of the family's sources of fixed income. ○ All other income will be verified using third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy. <p>In the following circumstances, regardless of the percentage of income received from fixed sources, the FCRHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy:</p> <ul style="list-style-type: none"> ○ Of all assets when net family assets exceed \$50,000; ○ Of all deductions and allowances from annual income; ○ If a family member with a fixed source of income is added; ○ If verification of the COLA or rate of interest is not available; <p>During the intake process and at least once every three years thereafter.</p>
<p>The PHA is required to use the specified report. However, it has discretion whether to use it at intervals other than at reexaminations.</p>	<p>7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV)</p> <p><i>No Income Reported by HHS or SSA Report</i></p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will generate the No Income Reported by HHS or SSA Report quarterly and will retain the report.</p> <p>The FCRHA will re-verify the status of participants identified on the report quarterly. Based on the information provided by the family and in EIV, the FCRHA may require that family members provide verifications or sign release forms in order to obtain additional verification.</p>

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
		When the FCRHA determines through this report and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.
The PHA is required to use the specified report at least quarterly. However, it has discretion on whether to use the report more frequently.	7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>Deceased Tenants Reports [Notice PIH 2012-4 and Notice PIH 2023-27]</i>	<u>FCRHA Policy</u> The FCRHA will review the Deceased Tenants Report on a monthly basis.
The PHA has discretion in deciding EOP date.	7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>Deceased Tenants Reports [Notice PIH 2012-4 and Notice PIH 2023-27]</i>	<u>FCRHA Policy</u> The FCRHA will list the EOP as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.
The PHA can choose to use either written, third-party verification from the source, also known as “tenant-provided verification” OR EIV + Self-Certification when both are available to verify income.	7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27] EIV + Self-Certification	<u>FCRHA Policy</u> At reexamination, if there are no reported changes to an income source, the FCRHA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV. The FCRHA will use an average of the last two quarters of income listed in EIV to determine income from employment. The FCRHA will provide the family with the information in EIV. The family will be required to sign a self-certification stating that the amount listed in EIV is accurate and representative of current income. If the family disagrees with the amount in EIV, the amount is not reflective of current income, or if less than two quarters are available in EIV, the FCRHA will use written third-party verification from the source as outlined below.

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
		The FCRHA will not use this method of verification at new admission since EIV is not available for applicant families or at interim reexamination since the income information in EIV is not current.
The PHA has discretion on whether to accept a self-certification and a third-party document containing the applicant's printed name.	7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27	<p><u>FCRHA Policy</u></p> <p>The FCRHA will verify each disclosed SSN by:</p> <ul style="list-style-type: none"> o Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers <p>Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder</p>
The PHA has discretion on how it will verify a separation or divorce.	7-II.D. FAMILY RELATIONSHIPS Separation or Divorce	<p><u>FCRHA Policy</u></p> <p>Certification by the head of household is normally sufficient verification.</p> <p>If the FCRHA has reasonable doubts about a separation or divorce, the FCRHA will require the family to provide documentation of the divorce or separation.</p> <p>A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.</p> <p>A copy of a court-ordered maintenance or other court record is required to document a separation.</p> <p>If no court document is available, documentation from a community-based agency will be accepted.</p>
The PHA has discretion on whether it will accept a self-certification from the family regarding income.	7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the FCRHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.</p>

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
<p>The PHA may accept a declaration from the family that their net assets do not exceed \$50,000 without needing to further verify that declaration.</p>	<p>7-III.F. ASSETS AND INCOME FROM ASSETS</p>	<p><u>FCRHA Policy</u></p> <p>For families with net assets totaling \$50,000 or less, the FCRHA will accept the family's self-certification of the value of family assets and anticipated asset income. The family's declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration. The FCRHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. Any income the family expects to receive from assets will be included in the family's annual income. The family will be required to provide third-party verification of net family assets every three years.</p> <p>When verification is required, in determining the value of checking or savings accounts, the FCRHA will use the current balance.</p> <p>In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, the FCRHA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.</p>
<p>The PHA may accept a declaration from the family that they do not have any present ownership in real property without needing to further verify that declaration.</p>	<p>7-III.F. ASSETS AND INCOME FROM ASSETS</p> <p>Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2)]</p>	<p><u>FCRHA Policy</u></p> <p>Both at admission and reexam, the FCRHA will accept self-certification from the family that the family does not have any present ownership in any real property. The certification will state that the family does not have any present ownership interest in any real property and must be signed by all family members 18 years of age and older. The FCRHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.</p> <p>If the family declares they have a present ownership in real property, the FCRHA will obtain third-party verification of the following factors:</p> <ul style="list-style-type: none"> ○ Whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and ○ Whether the property is suitable for occupancy by the family as a residence. <p>In cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the FCRHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.</p>

Summary of Proposed HOTMA Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
<p><i>Update policy to include language regarding the use of EIV Income and IVT reports</i></p>	<p>7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV)</p> <p><i>EIV Income and IVT Reports</i></p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will obtain income reports for regularly scheduled reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.</p> <p>Income reports will be compared to family-provided information as part of the regularly scheduled reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third-party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.</p> <p>Income reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.</p> <p>Income reports will be retained in participant files with the applicable regularly scheduled or interim reexamination documents.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will obtain EIV income and IVT reports for all reexaminations for all families. The FCRHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the scheduled reexamination.</p> <p>Income and IVT reports will only be used for interim reexaminations as necessary. For example, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV.</p> <p>Income and IVT reports will be retained in participant files with the applicable regularly scheduled or interim reexamination documents for the duration of the family's participation.</p> <p>When the FCRHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.</p>
<p><i>Update policy to include language regarding third-party verification</i></p>	<p>7.I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27]</p>	<p><u>FCRHA Policy</u></p> <p>In collecting third-party oral verification, FCRHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.</p>	<p><u>FCRHA Policy</u></p> <p>In collecting oral third-party verification, the FCRHA will document in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the information provided.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		When any source responds verbally to the initial written request for verification the FCRHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.	<p>The FCRHA will attempt to obtain written third-party verification via a form from the verification source. If written third-party verification forms are not returned within 10 business days from the date mailed, the FCRHA will accept self-certification from the family without attempting to obtain oral third-party verification.</p> <p>When any source responds verbally to the written third-party verification request, the FCRHA will accept the verbal response as oral verification. The FCRHA will request that the source also complete and return the verification forms that were provided.</p>
Update policy to include an attestation statement and a warning regarding the termination of assistance	7-I.I. LEVEL 1: NON-THIRD-PARTY VERIFICATION TECHNIQUE: SELF-CERTIFICATION [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>When information cannot be verified by a third-party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the FCRHA.</p> <p>The FCRHA may require a family to certify that a family member does <u>not</u> receive a particular type of income or benefit.</p> <p>The self-certification must be made in a format acceptable to the FCRHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed and dated by all adult household members.</p>	<p><u>FCRHA Policy</u></p> <p>When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the FCRHA.</p> <p>The FCRHA may require a family to certify that a family member does <u>not</u> receive a particular type of income or benefit.</p> <p>The self-certification must be made in a format acceptable to the FCRHA and must be signed by the family member whose information or status is being verified.</p> <p>All self-certifications will include the following language:</p> <p><i>I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Falsifying information could lead to the termination of your assistance.</i></p>

Summary of Proposed HOTMA-Related Changes to Existing Policies in the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
<i>Update policy to reflect practices established through HOTMA</i>	7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available.</p>
<i>Update policy to reflect practices established through HOTMA</i>	7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept a non-original document as prescribed in HUD administrative instructions.</p> <p>The FCRHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the FCRHA within 90 days</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the FCRHA within 90 calendar days from the date of notification.</p>
<i>Update policy to reflect practices established through HOTMA</i>	7-III.A. EARNED INCOME Wages	<p><u>FCRHA Policy</u></p> <p>As verification of earned income, the FCRHA will require the family to provide consecutive paystubs for the two (2) most current pay periods. The FCRHA will attempt to obtain original pay stubs but may accept photocopies.</p>	<p><u>FCRHA Policy</u></p> <p>When the FCRHA requires third-party verification of wages for wages other than tips, the family must provide originals of the two (2) most current, consecutive pay stubs.</p>
<i>Update policy to reflect practices established through HOTMA</i>	7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME	<p><u>FCRHA Policy</u></p> <p>Business owners and self-employed persons will be required to provide at least one of the following:</p> <ul style="list-style-type: none"> ○ An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy. ○ All schedules completed for filing federal and local taxes (including Schedule C) in the preceding year via IRS Form 4506 Request for Copy of Tax Return. 	<p><u>FCRHA Policy</u></p> <p>Business owners and self-employed persons will be required to provide:</p> <ul style="list-style-type: none"> ○ Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.). ○ If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		<p>If the above information is not available, the FCRHA will accept a Self-Employment Affidavit for business owners and self-employed participants.</p> <p>At any reexamination the FCRHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.</p> <p>If a family member has been self-employed less than three (3) months, the FCRHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the FCRHA will require the family to provide documentation of income and expenses for this period and use that information to project income.</p>	<p>For self-employed individuals who claim they do not file tax returns, the FCRHA will obtain a completed copy of IRS Form 4506-T to verify that no return has been filed.</p> <p>For those employed in "gig employment" (i.e., those in formal agreements with on-demand companies such as Uber, Lyft, or DoorDash), the FCRHA will provide a Self-Employment Affidavit for the individual to declare their income and expenses. The FCRHA will also review the printed statement of monthly income from the applicable app for all hours worked and pay received as well as Schedule C of the individual's tax return and the corresponding IRS Form 1099 or 1099k.</p> <p>The FCRHA will provide a Self-Employment Affidavit for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations. At any reexamination, the FCRHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.</p> <p>If a family member has been self-employed less than three (3) months, the FCRHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months.</p> <p>If the family member has been self-employed for three (3) to twelve (12) months, the FCRHA will require the family to provide documentation of income and expenses for this period and use that information to project income.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
<p><i>Update policy to reflect practices established through HOTMA</i></p>	<p>7-III.D. ALIMONY OR CHILD SUPPORT [Notice PIH 2023-27]</p>	<p><u>FCRHA Policy</u> The methods the FCRHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.</p> <p>If the family declares that it receives regular payments, the FCRHA will use the most reliable form of verification available. The forms of verification the FCRHA will use are:</p> <ul style="list-style-type: none"> ○ If payments are made through a state or local entity, the FCRHA will request a record of payments for the past 12 months or as many as are available and request that the entity disclose any known information about the likelihood of future payments. ○ Copies of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules. ○ Copy of the receipts and/or payment stubs for the 60 days prior to the FCRHA request. ○ Third-party verification form from the person paying the support. ○ Family's self-certification of amount received. <p>If the family declares that it receives irregular or no payments, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:</p> <ul style="list-style-type: none"> ○ A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts. ○ If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts. <p>Note: Families are not required to undertake independent enforcement action.</p>	<p><u>FCRHA Policy</u> The methods the FCRHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.</p> <p>If the family declares that it receives regular payments, the FCRHA will obtain verification in the following order of priority:</p> <ul style="list-style-type: none"> ○ Copies of the receipts and/or payment stubs for the 12 months prior to request ○ Third-party verification form from the state or local child support enforcement agency ○ Third-party verification form from the person paying the support ○ Family's self-certification of amount received <p>Note: Families are not required to undertake independent enforcement action.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
<p><i>Update policy to identify the acceptance of a self-certification</i></p>	<p>7-III.G. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will verify the value of assets disposed of only if:</p> <ul style="list-style-type: none"> ○ The FCRHA does not already have a reasonable estimation of its value from previously collected information, or ○ The amount reported by the family in the certification appears obviously in error. <p>Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last regularly scheduled reexamination and the FCRHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The FCRHA has a reasonable estimate of the value of the asset; therefore, recertification of the value of the asset is not necessary.</p> <p>Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately \$5,000.</p> <p>Based upon market conditions, this declaration does not seem realistic. Therefore, the FCRHA will verify the value of this asset.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.</p> <p>The FCRHA will verify the value of assets disposed of only if:</p> <ul style="list-style-type: none"> ○ The FCRHA does not already have a reasonable estimation of its value from previously collected information, or ○ The amount reported by the family in the certification appears obviously in error. <p>Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last regularly scheduled reexamination and the FCRHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The FCRHA has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.</p> <p>Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately \$5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the FCRHA will verify the value of this asset.</p>
<p><i>Update policy to state the type of documentation to be accepted</i></p>	<p>7-III.J. RETIREMENT ACCOUNTS</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.</p> <p>The type of original document that will be accepted as a third-party documents depends upon the family member's retirement status.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken, and any regular payments.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		<ul style="list-style-type: none"> ○ <i>Before</i> retirement, the FCRHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account. ○ <i>Upon</i> retirement, the FCRHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments. ○ <i>After</i> retirement, the FCRHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments. 	
<i>Update policy to identify the acceptance of a self-certification and reflect practices established through HOTMA</i>	7-III.K. INCOME FROM EXCLUDED SOURCES [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will reconcile differences in amounts reported by the third-party and the family only when verification is necessary to determine whether the income is to be excluded. In all other cases, the FCRHA will report the amount to be excluded as indicated on documents provided by the family.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept the family's self-certification as verification of fully excluded income. The FCRHA may request additional documentation if necessary to document the income source.</p> <p>The FCRHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.</p>
<i>Update policy to reflect practices established through HOTMA</i>	7-III.L. ZERO INCOME REVIEWS [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will check upfront income verification (UIV) sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, and earnings are not being received by families claiming to have zero annual income.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc. are not being received by families claiming to have zero annual income.</p> <p>The FCRHA will also require that each family member who claims zero income status complete a zero income form. If any sources of income are identified on the form,</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
			<p>the FCRHA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.</p> <p>The FCRHA will only conduct interim reexaminations in accordance with FCRHA policy in Chapter 11.</p>
<p><i>Update policy to reflect practices established through HOTMA and clarify those items for which written verification will be requested</i></p>	<p>7-III.M. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]</p>	<p><u>FCRHA Policy</u></p> <p>For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the FCRHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.</p> <p>In addition, the FCRHA will request written verification of the student's tuition amount.</p> <p>If the FCRHA is unable to obtain third-party written verification of the requested information, the FCRHA will pursue other forms of verification following the verification hierarchy in Section 7-I.B.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.</p> <p>In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, the FCRHA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.</p> <p>If the FCRHA is unable to obtain third-party written verification of the requested information, the FCRHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.</p>
<p><i>Update policy to reflect practices established through HOTMA and clarify how certain documentation will be handled</i></p>	<p>7-IV.B. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION</p>	<p><u>FCRHA Policy</u></p> <p>The actual recurring medical expenses for the last twelve month period can be used if it is anticipated and verified through a medical insurance company, medical supplies store, assisted living or medical facility such as a pharmacy, doctor's office, or hospital that the expenses will continue.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will verify medical expenses through:</p> <ul style="list-style-type: none"> ○ Written third-party documents provided by the family, such as pharmacy printouts or receipts. ○ The FCRHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future.

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
	Amount of Expense	<p>Medical expenses will be verified through:</p> <ul style="list-style-type: none"> ○ Written third-party documents provided by the family, such as pharmacy printouts or receipts or a third-party verification form(s) signed by the provider. ○ The FCRHA will use copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source to determine what expenses from the past are likely to continue to occur in the future. The FCRHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months. ○ Written third-party verification forms, if the family is unable to provide acceptable documentation. <p>If third-party or document review is not possible, the FCRHA will accept written self-certification of costs anticipated to be incurred during the upcoming 12months.</p>	<p>The FCRHA will use copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source to determine what expenses from the past are likely to continue to occur in the future. The FCRHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.</p> <ul style="list-style-type: none"> ○ Written third-party verification forms if the family is unable to provide acceptable documentation. ○ If third-party or document review is not possible, the FCRHA will accept written family certification as to costs anticipated to be incurred during the upcoming 12 months. <p>Any medical or health related documents will be kept in a separate file outside of the tenant file.</p> <p>If the FCRHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the information will never be maintained in the individual's tenant file. If the information needs to be disposed of, the FCRHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification.</p>
Update policy to reflect practices established through HOTMA and clarify how certain documentation will be handled	7-IV.C. DISABILITY ASSISTANCE EXPENSES Attendant Care	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept written third-party documents provided by the family.</p> <p>If family-provided documents are not available, the FCRHA will provide a third-party verification form directly to the care provider requesting the needed information.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept written third-party documents provided by the family.</p> <p>If family-provided documents are not available, the FCRHA will provide a third-party verification form</p> <p>Expenses for attendant care will be verified through:</p> <ul style="list-style-type: none"> ○ Written third-party documents provided by the family, such as receipts or cancelled checks.

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		<p>Expenses for attendant care will be verified through:</p> <ul style="list-style-type: none"> ○ Written third-party documents provided by the family, such as receipts or cancelled checks. ○ Third-party verification form signed by the provider, if family-provided documents are not available. ○ If third-party verification is not possible, written self-certification as to costs anticipated to be incurred for the upcoming 12 months. 	<ul style="list-style-type: none"> ○ Third-party verification form signed by the provider, if family-provided documents are not available. ○ If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months. <p>Before placing bills and documentation in the tenant file, the FCRHA will redact all personally identifiable information.</p> <p>If the FCRHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the FCRHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the FCRHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will the FCRHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].</p>
<p><i>Update policy to reflect practices established through HOTMA</i></p>	<p>7-IV.C. DISABILITY ASSISTANCE EXPENSES</p> <p>Family Member(s) Permitted to Work</p>	<p><u>FCRHA Policy</u></p> <p>The family may provide documentation from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E).</p> <p>If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person living with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (Reference 6-II.E.). This documentation may be provided by the family.</p> <p>If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the member receiving the assistance), to work.</p>

Summary of Proposed Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
Update policy to align with current practices	7-IV.D. CHILD CARE EXPENSES Pursuing an Eligible Activity	<p><u>FCRHA Policy</u></p> <p><i>Information to be Gathered</i> The FCRHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.</p> <p><i>Seeking Work</i> Whenever possible the FCRHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the FCRHA will request family-provided verification from the agency of the member’s job seeking efforts to date.</p> <p>In the event third-party verification is not available, the FCRHA will provide the family with a form on which the family member must record job search efforts. The FCRHA will review this information at each subsequent reexamination for which this deduction is claimed.</p> <p><i>Furthering Education</i> The family may provide documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.</p> <p><i>Gainful Employment</i> The family may provide documentation of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.</p>	<p><u>FCRHA Policy</u></p> <p><i>Information to be Gathered</i> The FCRHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.</p> <p><i>Seeking Work</i> Whenever possible the FCRHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the FCRHA will request family-provided verification from the agency of the member’s job seeking efforts to date, and require the family to submit to the FCRHA any reports provided to the other agency.</p> <p>In the event third-party verification is not available, the FCRHA will provide the family with a form on which the family member must record job search efforts. The FCRHA will review this information at each subsequent reexamination for which this deduction is claimed.</p> <p><i>Furthering Education</i> The FCRHA will request third-party documentation to verify that the person permitted to further their education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.</p> <p><i>Gainful Employment</i> The FCRHA will seek third-party documentation of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.</p>

Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan						
Section/Title	New Language	Comments				
7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>EIV Identity Verification Report</i>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will identify participants whose identity verification has failed by reviewing EIV’s <i>Identity Verification Report</i> on a monthly basis.</p> <p>The FCRHA will attempt to resolve discrepancies by obtaining appropriate documentation from the participant. When the FCRHA determines that discrepancies exist as a result of FCRHA errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.</p>	The policy was updated to remove a reference to “PIC/SSA.”				
7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>Upfront Income Verification Using Non-HUD Systems</i>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will inform all applicants and participants of how it verifies income by providing HUD’s “What You Should Know about EIV” guide which explains the EIV system and information accessed from the Virginia Employment Commission.</p>	The policy was updated to clarify how applicants and participants will be informed.				
7-II.A. VERIFICATION OF LEGAL IDENTITY	<p><u>FCRHA Policy</u></p> <p>The FCRHA will require families to furnish verification of legal identity for each household member.</p> <table border="1"> <thead> <tr> <th>Verification of Legal Identity for Adults</th> <th>Verification of Legal Identity for Children</th> </tr> </thead> <tbody> <tr> <td> Certificate of birth, naturalization papers Current, valid driver’s license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) Current U.S. passport Current government employer identification card with picture </td> <td> Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records </td> </tr> </tbody> </table> <p>If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.</p> <p>If none of these documents can be provided and at the FCRHA’s discretion, a third party who knows the person may attest to the person’s identity. The certification must be provided in a format acceptable to the FCRHA and must be signed by the family member whose information or status is being verified.</p>	Verification of Legal Identity for Adults	Verification of Legal Identity for Children	Certificate of birth, naturalization papers Current, valid driver’s license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) Current U.S. passport Current government employer identification card with picture	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records	The policy was updated to reflect the current methods of verification accepted and specify who is required to sign the third-party certification.
Verification of Legal Identity for Adults	Verification of Legal Identity for Children					
Certificate of birth, naturalization papers Current, valid driver’s license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) Current U.S. passport Current government employer identification card with picture	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records					

Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan		
Existing Section/Title	New Language	Comments
	Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the FCRHA has reason to doubt the identity of a person representing themselves to be a participant.	
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	Removed FCRHA Policy	The policy was removed due to new guidance established through HOTMA.
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<u>FCRHA Policy</u> The FCRHA will grant one 90 calendar-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, the FCRHA will terminate the individual's assistance.	The policy was updated to clarify the length of the extension.
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<u>FCRHA Policy</u> The FCRHA will grant one 90 calendar-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.	The policy was updated to clarify the length of the extension.
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<u>FCRHA Policy</u> The FCRHA will grant one 90 calendar-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.	This policy was updated to remove a reference to Chapter 11.
7-II.D. FAMILY RELATIONSHIPS Absence of Adult Member	<u>FCRHA Policy</u> If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill), if the FCRHA so requests.	The policy was updated to remove language specific to "separation or divorce" which is now stated in a new proposed policy.
7-II.H. VERIFICATION OF PREFERENCE STATUS	<u>FCRHA Policy</u> Reference Chapter 4 for a discussion of verification of preference status.	The policy was updated to refer the reader to Chapter 4 of the HCV Administrative Plan for information on the verification of preference status.

Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan		
Existing Section/Title	New Language	Comments
7-III.A. EARNED INCOME	<p><u>FCRHA Policy</u></p> <p>Unless tip income is included in a family member's W-2 by the employer or in UIV verification sources, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received on the Housing Application for the prior year or tips anticipated to be received in the coming year. The FCRHA will also accept pay stubs or employer verification.</p>	The policy was updated to specify that UIV verification sources will be used to verify tip income.
<p>7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS</p> <p>Social Security/SSI Benefits</p>	Removed FCRHA Policy	The policy was removed due to new guidance established through HOTMA.

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ADMINISTRATIVE - 2

RESOLUTION NUMBER 33-24: Authorization of Conveyance of Real Property at 3997 Fair Ridge Drive to the Board of Supervisors of Fairfax County, Virginia (Sully District)

RESOLUTION NUMBER 34-24: Appointment of Bree Fuller as Agent of the FCRHA for Purposes of Filing and Pursuing Applications for a Minor Variation Approval and a 2232 Hearing for 3997 Fair Ridge Drive (Sully District)

ISSUE:

The Fairfax County Redevelopment and Housing Authority (FCRHA) is requested to take a pair of actions in connection with preparing the recently acquired property at 3997 Fair Ridge Drive, Fairfax, Virginia 22033 (the Property) for operation as a shelter.

RECOMMENDATION:

In order to effectuate the transition of the former ESA property into a County emergency shelter, it is recommended that the FCRHA authorize the conveyance of the Property to the Board of Supervisors of Fairfax County, Virginia (BOS) and appoint Bree Fuller, Management Analyst, Office of the County Executive, as the FCRHA's agent for the limited purposes of filing and pursuing certain land use applications, as further described below.

TIMING:

Immediate.

RELATION TO THE FCRHA STRATEGIC PLAN:

This action supports the FCRHA's overarching Strategic Plan goal to preserve, expand and facilitate affordable housing opportunities in Fairfax County through its partnership with the Board of Supervisors and is consistent with the Board's request to purchase the property for a public purpose.

BACKGROUND:

At the direction of the BOS, the FCRHA acquired 3997 Fair Ridge Drive, Fairfax, VA 22033, Fairfax County Tax Map Parcels 46-3 ((17)), parcel 3 and 5 (the Property) on August ~~19~~ 22, 2024. The Property is improved with a ~~two~~ three-story hotel, the operations of which ceased in connection with the FCRHA's acquisition. The intent behind the acquisition was to use the existing hotel structure as an emergency shelter. The current goal is for operations to begin in spring 2025, to coincide with the closure of the County's winter-only hypothermia shelters.

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Public shelters in Fairfax County are typically owned by the BOS, rather than the FCRHA, so the Department of Housing and Community Development (HCD) requests the approval of the FCRHA to convey the BOS before shelter operations commence at the Property. It should also be noted that certain contractual arrangements for the operation of the shelter under the auspices of the BOS necessitate this conveyance. Since the FCRHA acquired the Property with funds provided by the BOS specifically for purposes of the acquisition, the FCRHA would convey the Property to the BOS for no consideration. The BOS will also need to formally authorize the conveyance; its approval will be sought later this year.

Further, before beginning shelter operations at the Property, certain land use actions must be completed; specifically, a “minor variation” to the existing proffers for the Property would need to be approved by the County’s Department of Planning and Development to allow for the public use of the Property, and a “2232” hearing, a statutory process to ensure that the public use of the site conforms to the County’s Comprehensive Plan. To meet the goal of a spring 2025 opening, these applications must be filed within the next few weeks, while the FCRHA will still own the Property and before it is conveyed to the BOS.

HCD staff have been working with DPD, other County agencies, and the Office of the County Executive (OCE) to coordinate the various tasks – such as the land use actions, land transfers, and minor repair work – to understand exactly what is need and how they must be sequenced. Since HCD anticipates that the ownership of the Property will be transferred during the pendency of the land use applications, it is requested that the FCRHA appoint Bree Fuller – a Management Analyst with OCE who has facilitated many of the cross-agency discussions to date and who is familiar with the Property – as its agent for purposes of filing and pursuing the above-described land use applications.

STAFF IMPACT:

Leading up to the conveyance of the Property to the Board of Supervisors, staff has spent a considerable amount of time working with the Office of the County Executive, Office of the County Attorney, and partner County agencies (e.g., Fairfax County Department of Land Development Services, Planning and Development, and Office of the Fire Marshal). Staff will continue to support Bree Fuller as she manages the process of obtaining the additional County approvals to prepare for occupancy.

FISCAL IMPACT:

None, apart from a de minimis administrative fee which may be required to transfer the Property, there is no additional fiscal impact.

ENCLOSED DOCUMENTS:

- Attachment 1: Resolution Number 33-24
- Attachment 2: Resolution Number 34-24

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Attachment 3: Vicinity Map

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Anna Shapiro, Deputy Director, Real Estate Finance, and Development, HCD

Mark Buenavista, Director, Capital Planning and Development Division (CPD), HCD

Marwan Mahmoud, Associate Development Director, CPD, HCD

ASSIGNED COUNSEL:

Ryan Wolf, Senior Assistant County Attorney

RESOLUTION NUMBER 33-24

Authorization of Conveyance of Real Property at 3997 Fair Ridge Drive to the Board of Supervisors of Fairfax County, Virginia (Sully District)

BE IT RESOLVED THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the conveyance of real property owned by the FCRHA and located at 3997 Fair Ridge Drive, Fairfax, Virginia 22033, Fairfax County Tax Map Number 46-3 ((17)), parcels 3 and 5, to the Board of Supervisors of Fairfax County, Virginia, in accordance with the item presented to the FCRHA at its October 17, 2024 meeting; and

BE IT FURTHER RESOLVED THAT any Assistant Secretary, and the designee of any Assistant Secretary, may take any action reasonably necessary to assist and/or effectuate such conveyance.

RESOLUTION NUMBER 34-24

Appointment of Bree Fuller as Agent of the FCRHA for Purposes of Filing and Pursuing Applications for a Minor Variation Approval and a 2232 Hearing for 3997 Fair Ridge Drive (Sully District)

BE IT RESOLVED THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) appoints Bree Fuller, Management Analyst with the Fairfax County Office of the County Executive, as its agent for the limited purposes of filing and pursuing applications for a minor variation approval and for a hearing pursuant to Section 15.2-2232 of the Virginia Code, each in connection with the real property owned by the FCRHA and located at 3997 Fair Ridge Drive, Fairfax, Virginia 22033, Fairfax County Tax Map Number 46-3 ((17)), parcels 3 and 5, in accordance with the item presented to the FCRHA at its October 17, 2024 meeting; and

BE IT FURTHER RESOLVED THAT any Assistant Secretary, and the designee of any Assistant Secretary, may take any action reasonably necessary to assist with such applications.

Vicinity Map



3997 Fair Ridge Drive, Fairfax, VA